What Highways Add to Taxes

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The Nation's Business

Government Expenses Can be Reduced

Ottawa Journal Thinks Bennett Has Impossible Task

Governments Can Cut Costs

SOME people adopt a somewhat fatalistic attitude toward the question of curtailing national costs. They assume that it is impossible to curtail public expenditures and that therefore any discussion of greater economy and efficiency in government is useless.

"Let us avoid," says the Ottawa Journal, "the crazy notion that the government is in a position to reduce taxes or even maintain taxes as they are simply by producing an axe and cutting scores of millions from expenditure."

All over Canada there are business concerns that have avoided bankruptcy by adopting "the crazy notion" that they could reduce expenditures and then by going ahead and doing it. They were faced with a necessity, not an impossibility; every government in Canada is today faced with a necessity that is not an impossibility, the necessity of balancing budgets by cutting expenditures.

* * *

THE Journal presents a question for The Financial Post to answer. We quote The Journal's question at some length because it contains an argument that is frequently heard, particularly in the speeches of those who happen to be supporters of whatever government may at the moment be in power:

"What we would like to put to The Post is this: That the position being what it is, and controllable expenditures having been cut right and left, where would they have Mr. Bennett make further cuts? In other words, what items, or services, or expenditures has it in mind?

"Mr. Bennett can't cut the interest on the public debt.

"He can't get away from the deficits of the Canadian National Railways.

"He can't get away from the money he has to provide for the National's capital outlays.

"He can't get away from the money that Parliament has ordered him to pay for war veterans.

"He can't avoid paying out money for unemployment and drought relief.

"These accounts being uncontrollable, inescapable, what is the position? The position is that for these five things we have mentioned, and before he can stir a hand to do anything else, Mr. Bennett has to pay out something like $300,000,000.

"The interest on the public debt is well over $100,000,000.

"The deficit of the Canadian National Railways will be over $55,000,000.

"The money required for the National's capital outlays — costs that can't be avoided — will be another $50,000,000.

"The amount required for soldier services will be upward of $50,000,000.

"Unemployment and drought relief will probably take $40,000,000.

"Where does this leave us? Well, with revenue not coming anywhere near $300,000,000, it leaves us in a position where it is foolish to talk about cutting taxes; all the more so, seeing that in addition to this uncontrollable expenditure that we have cited, Mr. Bennett must also find money for all the rest of the expenses of governing the country.

"If it were possible to cut any of these accounts, if we could get out of the fixed charges on our debt, and default on the deficit of the Canadian National, and leave soldiers without pensions, and leave people without relief—if we could do all or any of these things, then the complaint of The Post would have sense. It hasn't sense, or anything like sense, in the light of realities.

"The actual truth is that, on the basis of this year's conditions, Mr. Bennett next year will require some $450,000,000. Where will he get it? Well, one thing is sure, and that is that he won't meet the situation by any economies he can make, or by reducing taxation. The thing is impossible.

"Mr. Bennett might cut costs even deeper, he might all but cripple government services, he might kick every stave out of the pork barrel, and it would make no difference. We have reached the point where, to cope with the situation confronting us, economy is not enough. There has simply got to be a certain amount of money to cope with costs that cannot be avoided. And that money, at the present time, is not coming in.

"The Post has been demanding that the budget be balanced. But how?"

* * *

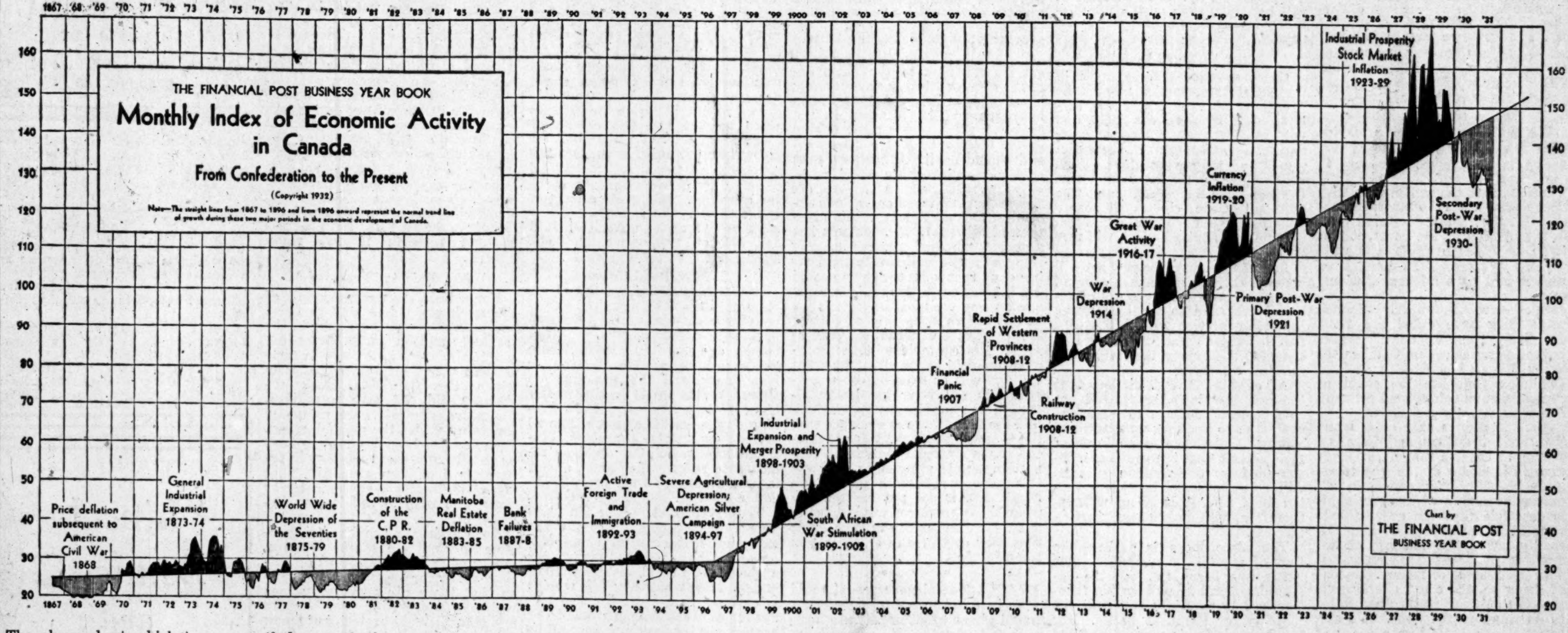
ADMITTEDLY Mr. Bennett cannot cut the interest on the government debt and no one wants him to default in payments on government bonds. But it is one of the most curious of mass mind fallacies that interest on government debt is an uncontrollable expediture. Every dollar ever added to the debt of any country or constituent government was controllable at some time by somebody. Mr. Bennett cannot now do much about interest on the debts that were created by previous governments whether they were governments of which he was a member or otherwise. But he can avoid adding to the country's debt through deficits and through new capital expenditures. Mr. Bennett has borrowed heavily since coming into office and thus he has added interest burdens that he and other government authorities of the future will no doubt call uncontrollable.

* * *

THE prime minister, according to the Journal, cannot get away from the deficits on the Canadian

(Continued on page 2, col. 3)

Mighty Growth of Economic Activity in Canada in Past Thirty Years Shown in Confederation Chart



The above chart which traces month by month the economic growth of Canada from Confederation to the present time was prepared by The Financial Post Business Year Book and is being published in two colors as a special supplement to the 1932 edition of that volume.

The chart is the result of many months of research into the early records of Canadian economic history in an attempt to plot accurately the long-term trend of business in this country. It will be noticed that prior to 1896 the normal trend line of business showed but very slight increase but since that time there has been a sweeping upward trend which has increased on the average at about 3.3 points per year.

It will also be noticed that the present depression is by far the most serious that has yet affected the Dominion, just as the prosperity period of a few years ago showed the greatest advance above the normal line of any like period in our history.

OTTAWA PLANS NEW STATUTE ON INSURANCE

Bold Bid For Federal Control to Be Made in February

MANY CHANGES DUE

In Meantime Ottawa Falls Back on Unemployment and Farm Relief Bill of 1931

From Our Own Correspondent

OTTAWA.—Work on a new Federal Insurance Act is progressing rapidly and it will be ready for Parliament when the session opens on February 4. This will be the third act to be placed on the statute books, but it is hoped that the 1932 statute, unlike its predecessors, will run the gauntlet of the courts, and prove immune to the constitutional attacks of the provinces.

The first Insurance Act was wrecked in 1916 when the Privy Council threw many of its vital sections out as ultra vires. The second act was tumbled into ruins by the Privy Council judgment last October. This second act, written with the first judgment in mind, was an effort to skate around the constitutional pitfalls bared by the Privy Council. It held the field 15 years, but failed last October. The new act is being written with both Privy Council judgments in mind, and will be Ottawa's last word in constitutional refinement.

Amazing Tactics Used

When the Privy Council upset the Insurance Act last October, the immediate question was—what will be done to maintain Federal jurisdiction in the period between January 1, 1932, when present licenses run out, and the enactment of the new statute? This question was solved by order-in-council passed last Thursday. This order will be of great interest to constitutionalists and business men, for the reason that it demonstrates the limits of foolishness to which constitutional uncertainty can drive ministers who otherwise are sensible and responsible persons.

It appears that only one statute could be appealed to in this dilemma. It was the Unemployment and

(Continued on page 2, col. 1)

Unofficial Embargo On Securities Broken

The second week of the unofficial embargo against purchase of foreign securities, or of Canadian securities held abroad, finds the large investment houses observing the Government request meticulously while some smaller houses and enterprising individuals have leaped in to take advantage of the profit opportunities offered.

In 1920 when an embargo of this kind was declared the same thing happened. Certain individuals made a lot of money by boot-legging securities and there is evidence that similar activities have started on this occasion.

RAIL PROBERS WILL PRESENT INTERIM STUDY

Immediate Remedial Measures Will be Outlined to Cabinet

From Our Own Correspondent

OTTAWA.—The Railway Commission is preparing an interim report which will be submitted to the government probably before parliament assembles on February 4, and which will provide the basis for administrative policy, if not legislation, in the early part of the year.

This interim report is being prepared at the request of the government. The commission has not got on far enough with its investigation to deal with the railway problem in a complete and final way, but will be able, in the interim report, to indicate immediate measures that will lessen the strain on the national treasury.

The report, undoubtedly, will recommend further advances in co-operation, in the elimination of competitive services. In all probability no legislation will be necessary to carry the recommendations into effect; but the government will feel able, as a result of these recommendations, to employ the necessary administrative measures to ensure their adoption.

Gold Coins Worth Par; No Premium By Ottawa

From Our Own Correspondent

OTTAWA.—The Federal Government pays a premium equivalent to United States' exchange upon the output of Canadian gold mines. If a Canadian citizen, however, presents a British or United States gold coin at Ottawa, the treasury will not pay the premium, will give only the value of the coin in Canadian currency.

This apparent conflict in government policy is explained here in this way. The Dominion buys new gold from the mines, not for purposes of currency, but for purposes of exchange. It is bought in order to obviate the Dominion going on the New York exchange market and purchasing United States funds for debt settlement.

Purchase of British or United States gold coins, or the gold coins of any country, would serve the same purpose. But there is a statute dealing with British and United States gold coins, and the law prohibits the payment of any premium. This statute is the Currency Act, and it provides that these coins shall be legal tender in Canada. The opposite sections are numbers 9 and 10, and they read:

> "A British sovereign shall pass current as legal tender in Canada for four dollars and eighty-six cents and two thirds of a cent of the currency of Canada. Gold coins of the United States of America, that is to say, the half eagle or five dollar piece, the eagle or ten dollar piece, and the double eagle or twenty dollar piece, shall pass current and be legal tender in Canada for five dollars, ten dollars, and twenty dollars respectively in the currency of Canada."

This is the reason, given by treasury officials, for the disparity in the treatment of the two classes of gold—bullion and coins.

This despatch from Ottawa answers enquiries received by The Financial Post from various readers who have wondered why Canadian banks refuse to allow them a premium on American gold coin. A Canadian with a cheque on a New York bank can collect a premium from any bank; but if he holds gold coin of the United States he is given only par.

BRAZILIAN WILL SHOW LOWER NET

Exchange Difficulties Affect Share Earnings—Operations Promising

BRAZIL DEBT GROWS

Authoritative Report Advocates Less Dependence on Coffee—Trade Balance Favorable

Publication by Brazilian Traction, Light and Power Company, of monthly gross and net earnings throughout 1931 have prepared the public for a financial statement for 1931, a statement showing lower earnings available for common stock than in the preceding years. These monthly statements, however, have still indicated that the company has been able to make way against the adverse business influences which have been affecting Brazil even more severely than most other countries. The monthly figures in this respect have proved even more valuable to shareholders in Canada in that they represent the earnings situation after taking cognizance of the average rate of exchange which prevailed throughout each month.

The intimations from the company from time to time, however, that the lower results are at least partly accounted for by the drop in the value of the Brazilian milreis, draw attention even more sharply than ever to the fact that the shareholder in Canada, United States and Europe is cut out to a considerable extent from participating in the company's real growth and real earnings inside Brazil by reason of the drop in the exchange value of the milreis as expressed in Canadian dollars and by the fact that the business situation, and the political situation in Brazil are too precarious for traders to permit themselves to give to the company all the confidence which on its operating showing it would merit.

$100,000,000 on External

A recent report by the Institute of International Finance on the Brazilian debt situation on behalf of the Investment Bankers' Association of America in co-operation with New York University, is of great interest to shareholders of Brazilian.

The debts present and prospective of the Brazilian Government are a matter of great importance to Brazilian shareholders in that an increasing preponderance of external debts is bound in depressed periods to affect exchange adversely. In analyzing the proposed funding scheme of the Federal Government to pay coupons on its bonds for three years in 5 per cent scrip the Institute says that the funda-

(Continued on page 2, col. 5)

Coming in The Post

The articles that have been outlining the present position of the $300,000,000 of foreign government bonds held by Canadian investors have shifted their locale to South America. There is a general review of the South American position this week, which will be followed by separate articles on Argentina, Brazil and other countries.

Early issues will tell about the enormous losses suffered by different provincial and municipal governments on such paternalistic ventures as farm loans, publicly-owned utilities, etc.

Foreign Investment Declines in 1931

First Net Decrease Recorded in Canada Since 1900, According to Survey Made For Financial Post Business Year Book

By KENNETH W. TAYLOR, M.A.

Total investments of British and foreign capital in Canada on January 1, 1932, are estimated to be $6,464,136,000, a decline of over $52,000,000 from the revised figure of $6,416,699,000 for January 1, 1931. This is probably the first time since 1900 that such a decline has occurred.

No Market Value Changes

The 1931 decrease is the excess of repayments, redemptions, repurchases and cancellations over new investments. No deduction has been made for changes in market values, but where through reorganization old securities are cancelled and new securities are issued in their place (as in the Canada Power and Paper reorganization) the difference in total par value between the old and the new securities is taken as a net decrease in investment.

The changes that have taken place in 1931 and the annual net increases in British and foreign investment in Canada since 1920 are as follows:

Changes in British and Foreign Investments in Canada During 1931
(Estimated by The Financial Post Business Year Book)

	Total $	Great Britain $	United States $	Other countries $
New issues sold in Canada	120,037,000	5,600,000	114,437,000	....
New direct invest.	27,000,000	5,000,000	20,000,000	2,000,000
Total new invest.	147,037,000	10,600,000	134,437,000	2,000,000
Repayments and redemptions	106,985,000	25,100,000	79,900,000	1,985,000
Repurchases	66,615,000	14,765,000	51,850,000	....
Cancellations	26,000,000	3,600,000	18,900,000	3,500,000
Total reductions	199,600,000	43,465,000	150,650,000	5,485,000
Net decrease, 1931	52,563,000	32,865,000	16,213,000	3,485,000
Net increase, 1930	238,164,000	10,760,000	226,285,000	1,119,000

Annual Increase in British and Foreign Investment in Canada, 1920-1931

	Total increase $	Increase in British investments $	Increase in U.S.A. investments $
1920	113,000,000	19,000,000	134,000,000
1921	149,000,000	5,000,000	145,000,000
1922	81,000,000	4,000,000	77,000,000
1923	92,000,000	3,000,000	87,000,000
1924	81,000,000	....	95,000,000
1925	59,000,000	*6,000,000	64,000,000
1926	187,000,000	26,000,000	169,000,000
1927	242,000,000	17,000,000	218,000,000
1928	152,000,000	*17,000,000	166,000,000
1929	274,000,000	13,000,000	260,000,000
1930	238,000,000	11,000,000	226,000,000
1931	*52,000,000	*33,000,000	*16,000,000

*Net decrease.

What Changes Mean

Particular interest attaches to the above tables in view of the virtual embargo on the export of capital for security purchases announced by Prime Minister Bennett in December, 1931. The significance of these figures lies in the fact that they reveal that Canadians repurchased and redeemed from Great Britain and foreign countries, in 1931, approximately $173,600,000 of securities to which is added $26,000,000 of cancelled securities (largely Canada Power & Paper securities held abroad and written down during the year) making necessary a total export of Canadian capital amounting to $199,600,000 of which $43,465,000 went to Great Britain, $150,650,000 to the United States and the remainder to other countries.

Against this these countries made a total new investment in Canada during the year of $147,037,000 leaving a net debit on foreign investment account in Canada, of $52,563,000. Of this total, $26,000,000, as already noted, represented cancellations so that the net outflow of capital from Canada necessary to balance this important international transaction was $26,000,000. This appears on a subsequent page as a deduction from the credit side of Canada's international balance of payments ledger.

New Figures Given

Total foreign investments in Canada by groups, as of January 1, 1932, are given in the following table. Comparative totals are also given for 1931, 1929 (latest official figures from the Dominion Bureau of Statistics), and 1926. At the present time 62 per cent of foreign investments in Canada come from the United States, 34 per cent from Great Britain, and 4 per cent from other countries. In 1926 the percentages were: United States, 55; Great Britain, 41; and other countries, 4.

British and Foreign Investments in Canada, Jan. 1, 1932
(Estimated by The Financial Post Business Year Book)

	Total $	Great Britain $	United States $	Other Countries $
Gov'ts. & municipals	1,396,060,000	509,167,000	881,776,000	5,118,000
Railways	1,720,295,000	887,065,000	801,588,000	31,641,000
Public utilities	526,951,000	63,216,000	426,045,000	37,690,000
Pulp, paper and lumber	582,378,000	54,262,000	472,541,000	55,575,000
Mining	434,999,000	114,649,000	301,480,000	18,870,000
Metal industries	340,447,000	50,784,000	286,141,000	3,522,000
Other industries	584,527,000	129,165,000	443,080,000	12,282,000
Trading establishments	244,883,000	77,807,000	161,954,000	5,122,000
Financial institutions	197,231,000	111,643,000	72,898,000	12,690,000
Land and mortgages	336,335,000	191,158,000	93,090,000	52,117,000
Total, 1932	6,364,136,000	2,188,916,000	3,940,593,000	234,627,000
1931	6,416,699,000	2,221,781,000	3,956,806,000	238,112,000
1929	5,904,169,000	2,197,682,000	3,470,087,000	236,400,000
1926	5,323,250,000	2,171,757,000	2,917,040,000	234,452,000

Foreign Control Changes

During 1931 few changes in the foreign control of prominent Canadian corporations were reported. The Sherwin-Williams Company of Canada, long affiliated with the Sherwin-Williams Company of America, definitely passed under the control of the United States company through the transfer to the parent company of a large block of common stock formerly held in England. The municipal light and power plant of Brandon was sold to a United States operating company. The Insull interests, of Chicago, have acquired a substantial minority interest in the Winnipeg Electric Company.

On the other hand, during 1931, the Imperial Bank absorbed the Weyburn Security Bank; the British Columbia Sugar Refineries purchased for $2,000,000 the beet sugar plants in Southern Alberta previously owned by the Utah-Idaho Sugar Co.; and the Imperial Tobacco Co. assumed full control of United Cigar Stores, Ltd.

Establishment of new foreign branch plants in Canada were more numerous in 1931 than in any previ-

(Continued on page 2, col. 4)

FREE MARKETS FOR SECURITIES ARE DELAYED

Arbitrary Setting of Minimum Prices Not Fair to Investors

SOME PEGS REMOVED

Montreal Makes Two Steps Toward Normal Conditions—Situation Still Slows Up Security Transactions

Interests of shareholders of Canadian companies, who should have a free market for their securities have not been well looked after in the last three months. It is more than three months since the British Government announced that it had gone off the gold basis and fear of a panic led the New York Stock Exchange and the principal exchanges of Canada to declare minimum prices as at the close of trading on the last day preceding the announcement. New York restored a free market at once, but three Canadian exchanges still have altogether too large a group of stocks on which trading cannot occur except at or above minimum prices, which are stated in the daily trading sheets. Ever since the New York Stock Exchange restored free trading after the momentous announcement of the British Government, that stock exchange has been able to bear up under liquidation of stocks from all over the world, and thereby has indisputably enhanced its reputation as a real market where stocks could be bought and sold.

Weakness Somewhere

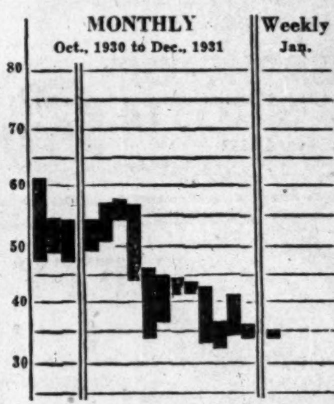
In Canada counsels have been much more timid. One group has believed in trying to maintain the "pegged" prices until what they regard as normal conditions obtain. Many brokers point out that as soon as there is a minimum or "pegged" price in a stock, the general buying public shies off that stock, thinking with reason that there must be weakness somewhere.

This has a tendency to make it impossible to liquidate even the best stocks far above the pegged price and the tendency has been for many of the stocks to sink to the pegged price. When the price ar-

(Continued on page 2, col. 6)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Jan. 5	34.8	33.6
Week of Dec. 29	34.8	33.5
Month of Jan., 1931	54.4	48.8
8 Bank Stocks		
Week of Jan. 5	216	215
Week of Dec. 29	216	216
Month of Jan., 1931	247	239
10 Public Utilities		
Week of Jan. 5	56	55
Week of Dec. 29	56	55
Month of Jan., 1931	82	77

DOM. POWER COMMON STUBS LOSE IN VALUE

Higher Exchange Rate and Poor Bond Market Might Extinguish Them

BONDS DUE APRIL

Hindsight Indicates Earlier Liquidation of Assets Would Have Saved Much Money

Because of the large premium on the United States dollar Dominion Power and Transmission Co. common stock share holders have seen the stubs representing their interest in the final disposal of the net assets of the company drop since September from an estimated value of $20.10 a share to as low as $6.22 a share. This is because bonds maturing April have to be paid in New York funds by selling Hydro-Electric Power Commission bonds on an uncertain market.

With the exchange on rates at present fluctuating between 15 and 20 per cent the estimated value of the stubs issued to each shareholder to represent his interest in the final liquidation would have an estimated value of about $8.81 each. It is estimated that with a 10 per cent exchange rate the stubs would have a final liquidating value of $13.17 each, with 15 per cent $11.40 each, with 20 per cent $6.22 each, with 25 per cent $2.70 each and with 30 per cent exchange assets would fall short by 73 cents a stub of showing anything at all.

Even at that the shareholder would fare much better than he would have if Dominion Power and Transmission Co. had never been purchased by Hydro-Electric Power Commission of Ontario. Two years ago the common stock of Dominion Power and Transmission sold as low as $38 a share. As a result of the agreement to sell control of the company to Hydro-Electric Power Commission a first payment of $50 a share was paid and a second payment of $10 a share, the shareholders being given stubs to represent any further amount which might be due them after liquidation of all liabilities and disposal of assets.

Under date of October 1 last, George D. Fearman, secretary, sent to stub holders the following estimate of assets and liabilities as they were expected to be at June 30, 1932, taking into account the situation as it then existed.

Estimate as Expected on June 30, 1932	$
Assets:	
Cash	132,884.10
Bonds, Hydro-Electric 5's	5,350,000.00
Do., 4½'s	500,000.00
National Trust Co.—	
D. P. & T. Co. bond interest	153,374.87
H. G. & B. Ry. Co. bonds	1,360.89
H. C. P. L. & T. Co. bonds	64,077.12
	6,201,696.98
Liabilities:	
Bonds, D. P. & T. Co. (due 1 April, 1932)	4,802,000.00
Bonds, H. E. L. & C. P. Co.	3,000.00
Divds. unpaid, D. P. & T. Co.	3,475.75
Bond int. unpaid H. C. P. L. & T. Co.	3,100.00
Bond int. unpaid, H. G. & B. Ry. Co.	12.50
Common stock (69,000 shares)	1,390,108.73
	6,201,696.98

Hazardous to Forecast

In the letter accompanying this statement, Mr. Fearman stated that the directors were conscious that it was necessarily somewhat hazardous to attempt to make a forecast with any degree of accuracy as to the ultimate net value of the ordinary shares of the company, and this statement of estimated assets and liabilities was issued solely as an attempt to keep the holders of the shares informed. All the known claims were included in the statement, but as the final adjustment had not been made, unforeseen claims or circumstances, it was stated, might arise. The rapid rise in the exchange rate has proved such a circumstance and depreciated the value of the shares to the

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NOR'WEST POWER UNABLE TO MEET INTEREST IN GOLD

American Bondholders May Foreclose — Has Ninety Days Grace

From Our Own Correspondent

MONTREAL.—Having no funds to pay the difference in exchange, Northwestern Power announces that it will pay the January 2 interest on its $10,000,000 of 6 per cent bonds in Canadian currency.

This is contrary to the trust deed covering this issue which specifically states that interest and principal are to be paid in Canadian, English or United States gold coin. Payments also are guaranteed by the parent company, Winnipeg Electric, but that organization has troubles of a similar nature and is not prepared to carry out its part of the contract.

Banker Takes Action

Consequent upon this action Kissel, Kinnicut and Co., a New York investment house and one of the underwriters of the Northwestern Power Co.'s bond issue, circularized holders of the bonds advising them to demand payment in United States money at the agency of the Bank of Montreal in New York.

In the letter to the bondholders, the bankers stated that their counsel had advised that failure of the company to make payment in American funds constituted a default under the indenture securing the bonds and that serious consideration was being given to the wisdom of recommending protective measures in the interests of the bondholders.

While it is legally possible for the bondholders to foreclose on the company, nothing can be done until the expiration of the 90 days grace allowed by law. Thus by the end of March the position of Northwestern Power may be improved to such an extent that it can meet its interest payments in New York funds and thus avoid any action which might be taken by the suggested bondholders' committee.

OTTAWA PLANS NEW STATUTE ON INSURANCE

(Continued from page 1)

Farm Relief Act of 1931. Faced with unemployment and relief problems of unknown seriousness last summer, the government asked Parliament for blanket authority to deal with them. Section four of the statute reads: "The Governor-in-Council shall have full power to make all such orders and regulations as may be deemed necessary or desirable for . . . maintaining peace, order and good government throughout Canada." The section was copied, practically verbatim, from the War Measures Act.

Act Fills Gap

When the Insurance Act difficulty arose, the government decided to continue the fight for control, not to surrender to the provinces. To bridge the gap, therefore, an order was passed last week continuing Federal jurisdiction until such time as the new statute is on the books. And the authority for this order-in-council is section four of the Unemployment and Farm Relief Act.

As for the new act, the legal wizards of the government are hard at work drafting it, and already the general outline is apparent.

There will be very great differences between the new act and the old. In fact there may be two new acts—one for Canadian and another for British and foreign companies. The purpose would be to reduce the hazard in future litigation.

Resent Legal Decision

While the work is being tackled with a will, the law officers feel a certain resentment in regard to the Privy Council decisions. It is a curious fact that when the Privy Council threw out the Insurance Act in 1916, the judgment stated that, in the opinion of the court, it was quite possible to draft a statute which would accomplish the desired results and pass all constitutional tests.

In other words, the Privy Council said: "You have failed this time, but the job can be done." Again in the judgment of last October, the Privy Council blandly informed the Dominion that the job could be done, although this second attempt, like the first, was a failure.

Each insurance case costs many thousands of dollars, and there is a feeling at Ottawa that if the Privy Council is aware of the way to remove constitutional doubt in this particular sphere of jurisdiction, it is desirable that the court should state it. This would remove all difficulty, make the business of law drafting comparatively simple, and save great sums of money. Instead of doing so, the court simply says that the existing statute has failed to do what can be done. It looks, to Ottawa, a little like a game of blind man's buff, or the other game where someone hides something and tells the searchers when they are hot, when cold.

New Act Explained

The new act, now taking form, can best be explained under three headings. First is the question of control of Federal by incorporated insurance companies. Second, the control of British and foreign companies and, third, the control of provincially incorporated companies.

In regard to the first, the new act, probably, will rely upon the constitutional rights of the Dominion to control and regulate companies of its own creation—that is Federal incorporations. These rights have been clearly defined in the three great cases on company control. One of these, the John Deere Plow case, will be relied upon particularly.

In regard to the second, Federal control probably will be asserted on grounds of Federal jurisdiction over immigration, over aliens, over trade and commerce.

In the third, no attempt will be made to control provincially incorporated insurance companies. The Federal government has never tried to exert such authority and will not do so now.

There is a possibility, also, that a few general claims to jurisdiction will be made, such as the jurisdiction of the Dominion over bankruptcy.

Many Changes Coming

Great changes will be made in the old statute, particularly in the licensing sections, and those sections dealing with contracts and with internal management of companies. Practically all of these sections—and they were the sections which tumbled the whole act last October—will be wiped out. The Criminal Code clause, imposing penalties upon companies which operated without a license, will also be wiped out.

In a general way, the new act will attempt nothing more than a broad control of insurance—control of assets in relation to liabilities. The inspection service will be provided for, and the annual reports will be continued. Further than this, the new law will not go.

All of this makes it obvious that the new law is being framed not so much with an eye to insurance control as to the next constitutional struggle. The Federal government feels certain that the provinces, encouraged by their recent success, will lose no time in challenging the 1932 act. It is being written, therefore, with impending litigation in mind.

The atmosphere is rather like that of a military campaign. One battle has been lost, but the defeated general is still on his frontier and is carefully choosing the position for the next battle. For the moment he is more concerned with winning the next battle than anything else.

NATION'S BUSINESS

(Continued from page 1)

National Railways. He could have gotten away from a large part of them and can still get away from a large part of them. This government has already shown greater strength in handling the Canadian National Railways than any previous government. But it took months to appoint the commission to study the railway problem. It has been in power a year and a half but only the last few months of that period has seen any important reduction in the extravagant scale of National Railway operation.

* * *

MR. BENNETT can't get away from the money that Parliament has ordered him to pay for war veterans, says the Journal. But Mr. Bennett has increased the pensions machinery notably and expensively since he came into office. During his regime policies have been in force that have greatly increased the numbers of pensioners. Even war pensions and the expense of paying them are not uncontrollable. In a time of national emergency there might even be sound justice in reducing pensions payments, temporarily, in line with the reduction in the cost of living.

Finally, according to the Journal, Mr. Bennett can't avoid paying out money for unemployment and drought relief. The Journal estimates that these two items will take $40,000,000. The Financial Post does not know what this item should be because in addition to expenditures that will be charged to current revenue there are undoubtedly being made many expenditures that will be charged to capital account. Already business men throughout the country realize that the government's plan of attempting to relieve unemployment by pouring out millions of governmental funds is a failure; it has added to the country's already heavy debt burden. The employment created has been bought at so dear a cost that it has curtailed private investments that would otherwise have gone on. Whether in the aggregate more jobs would have been created than have been killed off in private enterprise is an open question. Months ago, The Financial Post urged that the whole programme be abandoned. But it has gone on leading to a huge total of waste of federal, provincial and municipal funds. Mr. Bennett has, by word and deed, indicated that his policy involves the doctrine that the government owes every man a living. How can the adoption and implementing of such a policy be considered "uncontrollable?"

* * *

THERE are many other directions in which the government has it in its power to reduce federal expenditures. It continues to operate federal farm loans at huge cost to the treasury. It continues to pay bonuses on wheat deliveries (a policy of its own creation). It has done very little to curtail a cumbersome and unnecessarily large civil service. It continues to grant freight and other subsidies that the country in its present financial condition cannot afford. It continues the paternalism of the old age pensions act and has even voluntarily offered to assume a larger share of the cost of these pensions. It has not wound up the Canadian Government Merchant Marine despite its large annual losses. It voluntarily assumed a guarantee of wheat pool loans (the exact nature of this guarantee has never been revealed to the people of Canada). It is vigorously proceeding with negotiations for the construction at public expense of a canal on the St. Lawrence River to be used without tolls by the shippers of all nations.

* * *

SOME saving in governmental expenditure could be effected by a reduction in civil service salaries. But The Financial Post has never argued for a general reduction in the salaries of governmental employees because many of our public servants are underpaid, many of them have gone for years with inadequate increases. But a survey of civil service salaries would probably reveal more places where a reduction would be in order than where an increase is at present justified. Salaries that were increased during the prosperous years in order that their recipients might be aided to meet the higher cost of living rather than because of increased responsibilities or as a reward for more efficient work could probably be reduced now in line with salaries in industrial and professional offices. For a number of years ahead there should be the minimum of new appointments to the public service. Nine out of ten of the vacancies that will occur could be filled by shifts in the present personnel.

* * *

IT HAS been made clear in the articles that The Financial Post has been running that there are greater opportunities for reduction in the cost of government in the provinces and municipalities than in the federal service. Ottawa cannot cut its expenses to the same degree as the subsidiary governments because the central government has not expanded its services in the post-war years to the same degree as the others. Ottawa can do a lot and should do it. A business man of big enough calibre could probably cut $100,000,000 a year off federal expenditures on various accounts (including the Canadian National Railways). Mr. Bennett has assumed personal powers usually reserved only for dictators and having done that voluntarily he should use his powers to tackle in a courageous way the most important job he has before him—that of cutting the country's expense of government. His example will be multiplied ten-fold in its effect by what can and will be done by other governments following his lead. Although the public has never been told the facts there is evidence that the Ottawa government has assumed certain financial burdens in connection with the provinces. But was this generous gesture good business? Did it not put off the day when those provinces would have to put their own affairs in such order that they could stand on their own financial feet?

* * *

IF THE federal government could succeed in balancing its budget it would give a great impetus to business and would create employment in a natural way for more men than would be thrown out of work by the economies the government might effect. This is the most important matter our harrassed prime minister has to deal with; more important even than the forthcoming Imperial Conference for unless business is put on a sound basis Canadian firms will not be in a position to take advantage of any new inter-Imperial trade agreement that may be worked out.

FOREIGN INVESTMENT DECLINES IN 1931

(Continued from page 1)

ous year. An important factor in bringing many of these in was the change in tariff policy introduced in 1930 and extended in 1931. The recent drastic change in Great Britain's tariff policy has provided a further impetus to this movement, and indications are that 1932 will see as many, if not more, new branch plants as 1931. The total number of new branch plants established in 1931 was about one hundred, of which about eighty were from the United States, and fifteen from Great Britain.

It would be easy to overestimate the amount of capital invested in these new branch plants. It is the history of many such plants in Canada that they originate as small inexpensive assembly plants, but in course of time with growing experience develop into important production units. An examination of seventy-five new plants in Toronto showed an average initial investment of $40,000 each, employing on the average 22 persons. On the other hand, several very large branch plants were opened in 1931, and it is estimated that the total actual investment in 1931 was $27,000,000.

U. S. Predominates

At the present time there are about 1,075 United States branch, subsidiary, affiliated, or otherwise controlled manufacturing plants in Canada, with a total investment of $1,600,000,000, 75 per cent of which is American money. Great Britain has about 150 manufacturing branch plants in Canada, with an investment of over $200,000,000, 85 per cent of which is English money. There are also about 20 other foreign branch plants with an investment of about $6,000,000.

Repayments and redemptions during 1931 of Canadian securities held abroad are estimated at $107,000,000, or about two per cent of our total foreign indebtedness.

Repurchases during 1931 of securities formerly held abroad are believed to have been unusually heavy. This was especially true during the latter part of the year when nervous American holders dumped large quantities of Canadian securities back on to the Canadian market.

Geographical Distribution

Two of the largest Canadian corporations have recently published statements as to the geographical distribution of their common stocks. The International Nickel Company announced that on January 1, 1931, 21 per cent of its stock was held in Canada, 32 per cent in Great Britain, 46 per cent in the United States, and 1 per cent elsewhere. The Canadian Pacific Railway has published annual figures of its common stock ownership for the past five years.

Canadian Pacific Railway Co. Stock Ownership
(As at Jan. 1)

Owned in:	1928	1929	1930	1931
Canada	18.0	17.5	18.1	19.4
Great Britain	48.8	43.0	42.9	43.3
United States	26.2	33.0	32.7	31.2
Elsewhere	7.0	6.5	6.3	6.1

DOM. POWER COMMON STUBS LOSE IN VALUE

(Continued from page 1)

extent stated. If to the exchange rate is added, at the time Dominion Power & Transmission Co. bonds fall due, a poor bond market for Hydro bonds, the depreciation would be even greater.

Holders of the ordinary shares were told by Mr. Fearman on October 1, 1931, that the final payment depended very largely on the price to be received for the Hydro bonds when sold, and on the rate of exchange for New York funds in the future, as the bonds and interest of this company are payable in New York or Chicago.

Situation Critical

Mr. Fearman pointed out that the rate of exchange on October 1 was abnormally high and if it continued it would have a very serious effect on the final returns. If it were considered high on October 1, it has become extraordinarily high since that time. However, the $5,350,000 Hydro bonds are short-term bonds due 1935, and this will keep the price higher than would otherwise be the case. It is a pity they were not sold a year ago and the proceeds held in New York to meet this maturity. It is conceivable under the circumstances that higher exchange and poor bond market together might leave the company unable to meet bonds fully at maturity.

It will be remembered that the company was sold to the Hydro-Electric Power Commission for $21,250,000. Preferred shareholders were paid off at the rate of $100 and $105 per share with accrued dividends, and the sale of the company and its eleven subsidiaries was completed by the delivery of $21,000,000 of bonds of Hydro-Electric Power Commission of Ontario, of which $8,000,000 were 5 per cent bonds due in 1935 and $13,000,000 4¾ per cent bonds due in 1970. The transaction took effect as from December 31, 1929. An initial payment of $50 per share was made on the common stock, the company's shares were withdrawn from trading on the Toronto Curb market and the company's stubs were added to the list. On November 17, 1930, a further $10 per share was paid on the capital account of the ordinary shares of the company. This made a total of $60 a share. These stubs sold as high as $14 each in April of 1931 and $13 on September 22, 1931. Then came the exchange crisis.

Wrong Road Taken

It will be noted from the above statement that the principal liability of the company is $4,802,000 5 per cent first mortgage serial bonds, due April 1, 1932. These bonds are payable in Chicago or New York and the premium on United States funds is abnormally high. If New York funds are running at a premium of more than 20 per cent on April 1 almost an additional million dollars would be required to redeem the bonds, and if it runs at about 12 per cent, $575,000 additional would be required.

The statement given in this article indicates that but for the exchange disturbances, shareholders would have received almost $80 a share upon final distribution of assets. Now what they will receive is entirely in the air because no one knows what exchange will be or how strong the bond market will be in March when final arrangements are made. In order to make payments agreed on Hydro Power Commission had sold $12,500,000 of 4¾ per cent bonds due January 1, 1970 and $2,650,000 5 per cent bonds due January 1, 1935. These bonds are unconditionally guaranteed as to principal and interest by the Ontario Government. The balance of bonds agreed on as the purchase price of Dominion Power and Transmission Co. has been held in escrow to look after the outstanding bonds of Dominion Power and Transmission Co. with the object of paying interest until maturity and then the principal. It was thought this would be cheaper for Hydro-Electric Power Commission than calling all the bonds at a substantial premium. It turns out, however, it would have paid Dominion Power to have called the bonds and to have paid them by selling the whole Hydro issue to them at the comparatively favorable prices than obtaining. No one at that time foresaw that there would be a gamble on exchange mixed up with the transaction but it also demonstrates that it is unsound for a Canadian company to hold over years a Canadian security to take up later an obligation payable in New York funds as payment in foreign funds always involves a gamble in exchange.

BRAZILIAN WILL SHOW LOWER NET

(Continued from page 1)

mental weakness of this scheme is that it adds about $100,000,000 to the external funded debt of the Federal Government and therefore increases the burden which will ultimately have to be met without any assurance of an increased capacity to meet the heavier charges.

Must Arrest Inflation

"Since 1889, Brazil has been moving gradually toward lower levels for her monetary unit, indicating a consistent inflation of her currency and a continuance of unsound financial and economic policies," continues the Institute report.

"This tendency should be arrested, not only by adequate internal financial policies, including rigid economies in government expenditure, but also by conscientiously developing a more diversified economic structure with less dependence upon coffee.

"Should nothing substantial in this direction be accomplished during the course of the next three years, the credit position of Brazil will not be fundamentally improved."

Huge Coffee Crop Expected

In the Institute report, the phrase, "with less dependence upon coffee" is a pregnant one. Brazil has been struggling with a huge coffee surplus for a quarter of a century. By reason of the war and the conditions which followed it, it was able successfully for a time to withhold large amounts of coffee from the markets, and to secure very high prices. Other countries were attracted into the market by these high prices so that the visible world supply eventually toppled over the whole price situation, and Brazil for two or three years back now has had a very serious problem indeed to deal with. The only encouraging item in the situation at present is that the world's coffee consumption reached the record figure of 25,148,175 bags for the crop year ending June 30, 1931, whereas the world production for that season was 350,775 bags short of the consumption needs. This was the first time since the 1924-1925 crop that output had fallen under consumption. However, that is not so encouraging as it seems, in view of the fact that current estimates for the coming season indicate a crop of at least 34,000,000 bags for the world.

Burning Coffee to Aid Price

Brazil at the moment is trying to meet this situation by the destruction of coffee on a scale never before known in the world for potentially valuable merchandise. It is supposed by August next to destroy 12,000,000 bags of coffee. To do this there is an export tax of 15s a bag imposed to meet various foreign funded obligations and to provide funds for purchasing coffee. The trouble with this plan is that Brazil which formerly controlled 95 per cent of the world's production, now only controls 60 per cent. This 15s export tax under present conditions of world supply is not paid by the buyer because there is at present a buyer's market and this tax has therefore been taken out of the producer. When the new export tax was levied first in April last, Rio coffee sold for 4.35 cents and Santa coffee for 7.48 cents. The Santa has gradually sold down to 6.6 cents. As the Brazilian producer has had to accept the greater part of the loss from the imposition of this tax, it is a grave discouragement to those in the business. It is generally regarded that Brazilian coffee is the cheapest and best product for consumer dollars, but this tax would make it an expensive coffee if the buyer would pay and there is a tendency of the buyer to consider the Brazilian seller the least favored producer while it lasts.

FREE MARKETS FOR SECURITIES ARE DELAYED

(Continued from page 1)

rives at or near that stage, the trading public loses confidence in quotations, thinking that without a free market it is impossible to decide what the price or value of the stock would be.

From enquiries made by The Financial Post, it judges that the greater proportion of members of the Toronto Stock Exchange have favored a return to free market conditions. An important percentage of Montreal exchanges is also favorable. Only a very few stocks which have their primary market in Toronto still maintain the pegged prices, but stocks which are interlisted with Montreal have in too many cases a minimum established. The Montreal Stock Exchange has twice recently made additions to the free list, but progress towards freedom is not rapid enough.

Not Fair to Investors

For a time the natural result of the minimum prices was to drive trading outside the exchange to the "street" and a brisk over-the-counter business took place in some of the most important securities to which the Canadian stock exchanges did not give a market. These transactions were naturally somewhat under the pegged prices. Pressure has been brought to bear on this business and most of it apparently has been stopped. That means the best present market for those who wish to sell is also disposed of.

Such a situation makes it impossible to liquidate stocks when a holder of shares is desirous of getting money for any purpose. It may be that there are weak situations which it is desirable that bankers and others should protect, but many experienced brokers believe that the evils which gather around the maintenance of artificial price conditions are generally greater than those they are expected to cure. It is a loss of business to most brokers in so far as pegging prevents trading. It artificially renders sterile the liquid value of stocks held by shareholders of companies in question, and it is of no real assistance to the banks or other companies who have made brokerage loans on the stock although it may help some important clients in that they do not have to meet calls for margin.

Some Restrictions Removed

Some encouragement may be drawn from the fact that the Montreal Stock Exchange has announced the removal of trading restrictions from a list of twenty-four stocks and the revisions downward of minimum prices in each bank stock listed on the exchange. These changes became effective at the opening of trading on January 4, and investors hope in the majority of cases that there will be quick additions to the list until free market conditions exist for practically all stocks.

There are important companies in these lists, but there are many other important companies on which there is still a minimum price. What a detriment this policy must be to shareholders can be demonstrated by just a simple list of the stocks which are pegged and of the pegged prices. The following list indicates the situation as of January 5, 1932:

Stocks Pegged in Montreal

Atlantic Sugar common 22½, preferred 92; Bell Telephone 119; B. C. Power A 26, B 8; Bruck Silk Mills 4½; Calgary Power 137; Canada Cement Company 5, preferred 65¼; Canada Forgings class A 10; Canada Northern Power Corp. 19½; Canada Steamships, preferred 9; Canada Wire and Cable, class A 61, Class B, 20¾; Canadian Bronze Company 19, preferred 102; Canadian Car and Foundry 6¼, preferred 13¾; Canadian Celanese 6½, 7% preferred 65; Canadian Converters 30; Canadian Cotton 50, preferred 51; Hydro-Electric, preferred 66; Cockshutt Plow 6½; Consolidated Mining & Smelting 60; Dominion Bridge 27; Dominion Coal, pref. 25; Dominion Glass 82; Dominion Textiles 3¼; Donnaconna Paper 10; Eastern Dairies 20; Enamel and Heating Products 5; C. Gurd & Co. 21, preferred 105; Gypsum Lime and Alabastine 5; Hamilton Bridge 7, preferred 64; Hillcrest Collieries, preferred 88; International Power Company 5, first preferred 57; Jamaica Public Service 40, preferred 100; Lake of the Woods 5, preferred 35; McKinnon Steel Corp. 20, preferred 91; McColl Frontenac 9⅞; J. S. Mitchell & Co. 40. preferred 105; Montreal Cottons 92, preferred 100; Montreal Light, Heat and Power Consolidated 38; National Breweries 24, preferred 31; National Steel Car Corp. 12½; Ogilvie Milling 185; Ontario Steel Products 13, preferred 105; Ottawa Light, Heat and Power 104; Penmans 33; Power Corp. of Canada 36½; Price Bros. 25, preferred 70; Quebec Power 29; Shawinigan Water and Power 33; Sherwin-Williams of Canada 24; H. Simons & Sons, 17, preferred 90; Southern Canada Power 29; Steel Co. of Canada, 31¾; Tooke Bros. 22, preferred 65; Viau Biscuits 9½, preferred 83; Wabasso Cotton 10; Windsor Hotel 10, preferred 72; Winnipeg Electric 5, preferred 50; and Woods Manufacturing, preferred 40.

Montreal Curb Minimums

The Montreal Curb market also limits trading to a large degree by maintaining minimum prices on the following stocks: Belding Corticelli, 85, preferred 100; Canadian Foreign Investments Corp. 6, preferred 77; Canadian General Investment Trusts, 25; Canadian International Investment Trusts $3.95, preferred 65; Canadian Vickers preferred 20¼; Catelli Macaroni Products preferred A 12; Commercial Alcohol Limited, 4; Corporate Steel Products 9½; David et Frere B, 4; Dominion Engineering Works 18; Dominion Tar and Chemcial Co. 5, preferred 82; Imperial Tobacco Co. of Canada 8⅞; International Paints (Can.) A 5; Robert Mitchell & Co. 8; Paton Mfg. Company 30, preferred 94; Reliance Grain Co. 6½; Sarnia Bridge A 7, B 5; Western Steel Products, preferred 65; Beauharnois Power Corporation A 3½; Canada Northern Power preferred 106; Foreign Power Securities Corp. 5; Montreal Island Power Co. 14; Power Corporation of Canada preferred 97; Southern Canada Power preferred 105¾; United Securities 40.

It is to be noted that in most of these cases sales and quotations are non-existent except in the few cases where trading is still above the minimum price.

The Toronto Stock Exchange has, in addition to "pegs" on stocks interlisted with Montreal, minimum prices on Canadian Canners common at 8, first preferred at 80 and convertible preferred at 9, on Eastern Steel Products common at 16 and preferred at 97, on Ontario Steel Products at 13 and preferred at 105, on Weston's common at 38 and preferred at 75. The minimum prices are the same as in Montreal on the banks and there are also minimum prices on the loan and trust companies' stocks, as follows:

Canada Permanent, 190; Central Canada 300; Economic Investment 37; Huron and Erie 144, 20% pref. 28; Landed Banking 150; National Trust 250; Ontario Loan, 119½; Real Estate 110; Toronto General Trusts 215; Toronto Mortgage 110, and Union Trust 100.

The Toronto Curb "pegged" stocks are all those that are interlisted with Montreal. All others are free.

Bank Minimums Reduced

The bank stocks on which the revision became effective on January 4, together with the new and old minimum prices, follow:

	New	Old
Banque Canadienne	159¾	164¾
Bank of Commerce	186	196
Dominion Bank	194	204
Imperial Bank	193	203
Bank of Montreal	225	235
Bank of Nova Scotia	274	284
Royal Bank	221	231
Bank of Toronto	103	213

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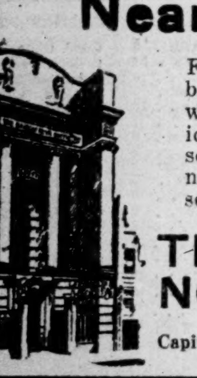

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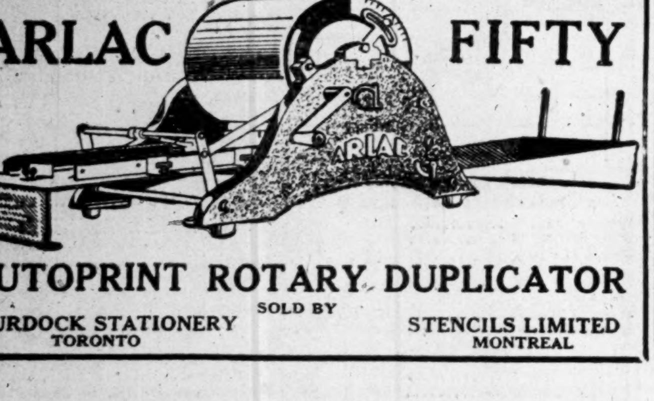

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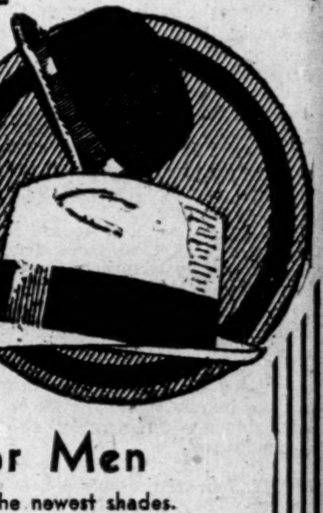

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STANFORD'S LTD. CREDITORS MIGHT RECEIVE DIVIDEND

Much Depends on Sale of Mansfield St. Property

From Our Own Correspondent

MONTREAL.—Prospects of creditors receiving a dividend from the estate of Stanford's Ltd., chain store grocery in bankruptcy, depend largely upon the disposal of the company's Mansfield Street property, according to a report on the situation prepared by the Better Business Bureau of Montreal. Harold J. Inns, general manager of the bureau, states that inspectors of the estate are now asking the banks to take over the Mansfield Street property in settlement of its claims, in order to avoid a sale by sheriff. If they are successful in getting the bank to take it over, he feels there is every reason to believe that enough can be salvaged from the book debts and from the sale of the good stores, to pay a dividend of between 40 and 45 cents on the dollar.

It is pointed out that the property in question has a municipal valuation of $175,000 and the bank has a lien against it for $132,000. Every effort has been made to sell the property and real estate dealers have been working on it consistently but no offers have been received. Should the estate be forced to sell the property by a sheriff's sale, it would mean that if the property did not bring $132,000 the bank would rank against the estate as an unsecured claim for the balance.

Some Stores Sold

When the bankruptcy occurred in September, the report states, assets consisted of the Mansfield property, another small piece of real estate, nine stores and accounts receivable. The stores were, without exception, all operating at a loss and in each case there were long leases. It was found cheaper to close one store and pay the rent rather than continue trying to do business. Fortunately the lease has been taken over by another party and the estate has been relieved of the liability of rent.

Two of the other poorer stores have been sold, the Vendome store for $5,000 and the Wellington store for $4,000. Both of these were showing heavy losses. Although the fixtures in the stores cost more than the price obtained, it is claimed the estate was fortunate in being able to get rid of the liabilities to the landlords.

Bidding For Others

There has been keen bidding for the Park Ave., St. Matthew Street and the Montreal Public Market stores, which are considered the best propositions. So far, however, the inspectors have not found it advisable to let them go.

At the present time it is pointed out that there is about $17,000 cash in the bank, accounts receivable of around $25,000, while offers of $25,000 to $26,000 have been received for the Park Ave. store, St. Matthew Street store and the Montreal Public Market.

ENAMEL HEATING ADD TO PRODUCTS TO WIDEN SALES

Expect Gain in Earning Power for Current Season

From Our Own Correspondent

MONTREAL. — Introduction of additional lines is expected to bring about an improvement in sales during 1932 for Enamel and Heating Products, Ltd.

At the present time expansion of operations is under way at the company's Sackville plant. This unit is now producing the Robb hot water boilers of a special and efficient finish, tests of which have been carried out at the Nova Scotia Technical College.

In addition to this new product, Enamel and Heating's engineering department is at present engaged upon the design and construction of a complete new line of gas and electric ranges, which will be placed on the market early this year.

Contracts in 1931

No details are available at present in regard to sales and profits during 1931. Two of the principal jobs carried out during the year were the manufacture at the Amherst plant of bath tubs for the new Canadian Pacific hotel at Yarmouth and the new Canadian National hotel at Vancouver. In addition the company's products have been installed in numerous buildings in Montreal, Toronto, Winnipeg and elsewhere.

GODERICH ELEVATOR EARNINGS INCREASE

Handled 18 p.c. More Traffic; is Filled to Capacity

With the close of navigation in 1931, Goderich Elevator & Transit Co. had its 3,000,000 bushel elevator at Goderich stored to capacity and had, in addition, 1,661,000 bus. of grain afloat in steamers for winter unloading. Traffic results in the 1931 season showed an increase of 18 per cent over the previous year. Earnings in the fiscal year ending March 31, 1932, are expected to show a resultant increase over 1931 according to a letter forwarded to shareholders by G. L. Parsons, president of the company.

In 1931, the company handled 6,388,875 bus. of grain and an increase of 18 per cent in the current fiscal year would show a volume of some 7,500,000 bus. which compares with 8,891,486 bus. handled in 1930 and 16,985,354 bus. in 1929. Net earnings in the fiscal year ended March 31, 1931, amounted to $219,285 and net profits available for dividends amounted to $108,978. Earnings per share on the 84,006 shares of no par value common stock outstanding were $1.29 in the last fiscal year.

Mann Elected Director of Whittall Can Co.

From Our Own Correspondent

MONTREAL.—J. A. Mann, K.C., of the legal firm of Mann & MacKinnon, has been elected to the directorate of Whittall Can Co. Mr. Mann is president of Semi-Ready Ltd., and a director of the Crown Trust Co., and the Gold Dust Corp.

South American Bonds Widely Held in Canada

Defaults Occur as World Price and Finance Unsettlement Disturbs Equilibrium of Continent

ARTICLE FIVE: SOUTH AMERICAN BONDS

Canadian and American investors have purchased over $1,500,000,000 of South American bonds in recent years. Of this amount by far the largest proportion has been subscribed for across the line but here in Canada many millions of Argentine, Brazilian and other Latin American obligations are held both by our institutions and by private investors. Political and economic disturbances in these Republics, with subsequent defaults in many instances, have carried the market price of such bonds down to unprecedented low levels so that the market valuation of the $1,500,000,000 total is now only about $300,000,000 or one-fifth of the par value.

Investors Worried

The natural concern which such a severe contraction in price is causing thousands of investors in the country is reflected in the anxious and close study of all developments which are following each other so quickly in the various republics with large amounts of bonds outstanding. Certain holders of these bonds have already sold them on the market, too confused by the contradictory reports appearing in the press to have any confidence in their intrinsic value, while others are retaining their bonds hopeful that the situation will improve and that prices will advance. This, and subsequent articles in the present series, will attempt to place before the worried bondholder the facts concerning South American obligations. It is not possible to forecast the movement of prices on the exchange just as it is not possible to predict the solution of the complicated international situation now existing, but a review of conditions in the South American Republics will aid the investor in deciding what action should be taken as far as these bonds are concerned.

Is Wealthy Continent

The South American continent is vastly rich in natural resources including petroleum, copper, tin, nitrates, and in agricultural areas of huge proportions. A population of approximately 70,000,000 has already made great strides in developing these resources but it is generally agreed that future development will be on a much greater scale provided the necessary capital is made available. For just as in the case of the United States and Canada, capital is required to bring the resources of nature into commercial use.

Already $6,000,000,000 or more of foreign capital has sought investment in South American industry, agriculture and in Government loans. Not all of this investment has been profitable as current prices of government bonds prove, but taking the experience of the past 30 or 40 years it seems safe to assume that the experience of lenders of capital to this continent is such as to encourage further loans when present difficulties in the way are overcome.

Where Investments Are Located

The United States and Canada have been assuming a more important place than formerly in providing South America with its capital requirements. North American investments in this territory total over $3,000,000,000 of which about half is represented by government, state and municipal bonds and about half by direct or industrial investment. The distribution of bond investments is shown by the following table:

Argentine	$518,000,000
Brazil	401,000,000
Chile	311,000,000
Colombia	170,000,000
Peru	103,000,000
Uruguay	67,000,000
Bolivia	61,000,000

The remaining South American republics have attracted smaller amounts af capital for which statistics are not available. Direct investments, i.e., by individuals and corporations, are equally extensive and are held by such concerns as Brazilian Traction Light, Heat and Power Co. (a Canadian concern), American and Foreign Power Corporation, the International Telephone and Telegraph Company, United Fruit Company, Bethlehem Steel Corporation, Standard Oil Company (including International Petroleum Company, a Canadian concern) and many others which have taken an important part in the development of South American industry and commerce.

Backward, Poorly Developed

In spite of these large foreign interests, South America is in many respects a backward and poorly developed continent. A high percentage of its population is uneducated, even illiterate. Its governments are unstable and constitutionally weak. The mixture of native and Southern European stock has retained many of the characteristics of the middle ages. The feudal system remains as a prominent feature of South American civilization. Vast tracts of land are owned by one family while millions of the inhabitants in reality are serfs. In recent years communism has been spreading its doctrine and is violently proclaimed in important centres. It is small wonder, therefore, that creditors of South American Governments and industries have on more than one occasion been concerned for the safety of their loans. For more than a century political insurrections have featured the normal existence of the Latin American republics.

Commodity Decline Proves Serious

The present crisis in the affairs of this continent may be traced directly to the world wide depression with its train of financial and economic disturbances. The severe decline in commodity prices has particularly affected Brazil, so dependent upon its production of coffee, and Chile, where the low price of copper and nitrates has paralyzed industry. Colombia, Bolivia, Peru—in fact all of the republics have seen their national income dwindle with the market price of important commodities, falling to one-quarter or less of their former value.

Coincident with the change in the commodity price level came an abrupt cessation of South America's "line of credit." The United States for years had been pouring hundreds of millions of dollars annually into this continent. The United States became its banker as Europe was temporarily unable to extend credits beyond its own boundaries. Suddenly the banker required his funds at home — to finance an orgy of stock and real estate speculation. New foreign loans (including European issues) in the United States in 1928 amounted to $1,251,000,000. In 1929 the total was only $671,000,000 and in 1931 the total has been reduced again.

Several Defaults Already

As a result of these developments South American Republics, which had embarked on a programme of road-building and public works construction, were faced with shrinking revenues and declining exports, and at the same time no means of securing additional capital to tide over a difficult period. There could only be one result in those cases where weaknesses in the economic structure existed. Several republics have already defaulted on their external obligations—some through inability to purchase gold, some because of insufficient revenues and some for both of these reasons.

A financial and economic crisis almost invariably precipitates political unrest and it was therefore not surprising to the experienced observer when riots, insurrections and revolutions broke out in nearly all the important South American capitals. In practically every republic there has been a succession of political upheavals. Peru had four presidents in one week, while in other instances such as in Chile, government officials rarely held office for more than a few days at a time. North American observers have become accustomed now to such political turmoil in their neighboring continent and associate the instability of governments with the racial characteristics of the people. It has become an accepted fact that Latin Americans lack a sense of constitutional government and have little respect for the more enlightened practices of our own country such as the secret ballot and widespread suffrage.

Revolutions Often Mean Little

It must be noted, however, that revolutions in South America are localized and usually of minor significance as far as the general population is concerned. Seldom is there bloodshed or organized violence. The uprisings are frequently led by college students and no doubt are far less serious than reports in the press would indicate. While apparently inseparable from South American life—(there have been over 400 revolutions during the past century) political strife has not been an important influence in retarding the growth and development of the country and consequently we should minimize the effect of present disturbances. One recalls that a Spaniard prefers a bull fight to a football game, and if the South American wishes to mix a little spice with his political menu we should not be concerned provided he takes care of his obligations—which he has done, on the whole, satisfactorily in the past.

The question arises today whether or not the South American Republics have not saddled themselves with a debt which in spite of their immense wealth, may prove too great a burden for them to carry. Subsequent articles will deal with this and associated problems as they apply to the individual countries. The Argentine Republic will be reviewed next week.

A list of South American bond issues in default was presented last week to the United States Senate. Canadian investors hold substantial portions of some of these issues; smaller proportions of others.

Country of Issue.	Remarks	Amount Outstanding
BOLIVIA		
6s, 1917-1940	Interest and sinking fund not paid	$ 1,431,000
8s, 1922-1947	55% of coupons paid, sinking fund not paid	23,267,500
7s, 1927-1958	Interest and sinking fund not paid	13,590,500
7s, 1928-1969	"	22,815,000
BRAZIL		
Federal Government:		
8s, 1921-1941	The Brazilian Government announced, Oct. 18, 1931, that interest on these bonds would be paid in scrip for a period of three yrs.	31,352,500
7s, 1922-1952	" "	17,503,000
6½s, 1926-1957	" "	56,108,000
6½s, 1927-1957	" "	39,709,000
State Governments:		
Ceara 8s, 1922-1947	Interest and sinking fund not paid; bondholders' protective committee formed under auspices of Interstate Trust Company	1,980,000
Maranhoo 7s, 1928-1958	Interest paid Nov. 1, but sinking fund not paid; no further remittances being made	1,682,000
Minoes Geraes 6½s, 1928-1958	Interest and sinking fund paid Sept. 1 out of reserve fund; no further remittances being made	8,132,000
Minoes Geraes 6½s, A, 1929-1959	Interest and sinking fund paid Sept. 1 out of reserve fund; no further remittances being made	7,812,000
Parana 7s, 1928-1958	Reserve fund used to pay interest; sinking fund not paid; no further remittances being made	4,642,000
Pernambuco 7s, 1927-1947	Interest and sinking fund not paid	5,233,000
Rio de Janeiro 6½s, 1929-1959	Funds to pay Jan. 1, 1932, interest and sinking fund on hand	5,961,000
Rio Grande do Sul 8s, 1921-1946	Oct. 1, 1931, interest and sinking fund paid; no further remittances being made	5,900,500
Rio Grande do Sul 7s, 1926-1966	Sinking fund paid Nov. 1, but interest defaulted	9,713,500
Rio Grande do Sul 6s, 1928-1968	Interest and sinking fund not paid	23,000,000
Santa Catherina 8s, 1922-1947	Funding arrangement made in 1925, default on this agreement in May, 1928; new arrangement for lower schedule of payments; no payments made since February, 1930	4,704,300
Sao Paulo 8s, 1921-1936	Interest paid, but partial default on sinking fund	4,950,000
Sao Paulo 8s, 1925-1950	Interest paid partly from reserve fund; partial default on sinking fund	14,719,000
Sao Paulo 7s, 1926-1956	$200,000; reserve fund on hand to meet Mar. 1, 1932, coupon	6,914,000
Sao Paulo, 6s, 1928-1968	Reserve fund used for July 1, 1931, payments due Jan. 1, 1932, will not be made	14,698,000
Sao Paulo 7, 1930-1940	No default expected	31,489,000
Municipal Governments:		
Porto Alegre, 8s, 1921-1961	Coupon not paid	3,320,000
Porto Alegre, 7½s, 1926-1966	Jan. 1 coupon not expected to be paid	3,,890,000
Porto Alegre, 7s, 1928-1968	Feb. 1 coupon not expected to be paid	2,211,000
Rio de Janeiro, 8s, 1921-1946	April 1 coupon not expected to be paid	8,055,000
Rio de Janeiro, 6½s, 1928-1953	Coupon not paid	29,492,000
Rio de Janeiro, 6s, 1928-1933	"	1,770,000
Rio Grande do Sul, 7s, 1927	"	3,912,500
Sao Paulo, 6s, 1919-1943	May 1 coupon not expected to be paid	5,535,000
Sao Paulo, 8s, 1922-1952	Coupon not paid	3,157,000
Sao Paulo, 6½s, 1927-1957	"	5,602,000
CHILE		
National Government:		
6s, 1926-1960	Coupon not paid	40,116,000
6s, 1928-Jan. 1, 1961	Jan. 1 coupon will not be paid	44,152,000
6s, 1927-Feb. 1, 1961	Coupon not paid	25,935,000
6s, 1928-Sept. 1, 1961	"	15,577,000
6s, 1929-1962	"	9,790,000
6s, 1930-1963	"	24,745,000
7s, 1922-1942	"	15,094,000
Municipal Governments:		
Santiago, 7s, 1928-1949	Jan. 2 coupon will not be paid	3,600,000
Santiago, 7s, 1930-1961	Coupon not paid	2,175,000
Cons. municipal loan, A, 7s, 1929-1960	Interest and sinking fund payments on Sept. 1, 1931, made from reserve fund	14,684,000
Mortgage Bank of Chile:		
6½s, 1925-1957	Service completely suspended; interest being deposited in Chile in pesos	18,882,000
6¾s, 1926-1961	" "	18,897,500
6s, 1926-1931	" "	10,000,000
6s, 1928-1961	" "	19,469,000
6s, 1929-1962	" "	19,900,000
COLOMBIA		
Municipal Governments:		
Medellin, 7s, 1926-1951	Coupon not paid; it is understood that funds have been deposited in Colombia	2,703,000
Medellin, 6½s, 1928-1954	" "	8,527,000
PERU		
National Government:		
7s, 1927-1959 (tobacco loan)	Complete default on interest and sinking fund	14,357,500
National loan, first series 6s, 1927-1960	" "	48,383,000
National loan, second series 6s, 1928-1961	" "	24,469,500
Provincial Governments:		
Callao 7½s, 1927-1944	Interest and sinking fund payments due Jan. 1 and July 1, 1931, were met partly from the reserve fund; no further remittances	1,189,000
Municipal Governments:		
Lima 6½s, 1928-1958	Interest and sinking fund payments due Sept. 1, 1931, were met partly from reserve fund	2,887,000
URUGUAY		
Municipal Governments:		
Montevideo, 7s, 1922-1952	Interest not paid	5,684,000

Highway Expenditures Rise 275 p.c. in 10 Years

Fourth Article in Series Outlining Some of the New Ways Governments Have Found to Spend Money

ITEM FOUR — HIGHWAYS

ONE of the prime factors in the rising scale of governmental expenditures in Canada* is highways. Modern highways are largely the product of the invention of the automobile. Were it not for motor cars Canada would not require 394,373 miles of highways, 80,498 miles of them concrete, asphalt or other hard surface.

There are two viewpoints often expressed about the relation of automobiles to highway expenditures.

First, there is the viewpoint of those who see our rapidly lengthening ribbons of broad motorways as nothing but an item of expense and who deplore our mad rush to chop the country into little squares of town or country surrounded by maniac-infested speedways. Such people are ready to believe that their taxes have been multiplied many times by highway development.

Second, there is the viewpoint of the man who has been led to believe by what he has read somewhere that the motorist pays the whole shot for highway construction through his motor license fees and gasoline tax; that pedestrians and horse-users get the use of the roadways free; that the highways pay us big dividends in tourist traffic returns; that one should no more include motor vehicle revenues in public taxation than the gross revenues of an enterprise like the Ontario Hydro-Electric System on the ground that both enterprises are self-supporting, the state merely acting as an intermediary to provide the service and be paid for it.

As is usually the case when different sections of the public argue among themselves the truth lies somewhere between the two extremes.

You Control 200 Feet of Highway

This series of articles has set itself the task of determining some of the primary causes of increased government expenditure and taxation in Canada. The mounting highway bill is one of those causes and in presenting some facts and figures on this question an attempt will be made also to indicate to what degree the motorist, as the primary beneficiary highway development, pays the bills.

Canada is a large country with a scattered population. There are about 26 people in Canada for every mile of road. Each man, woman and child in the Dominion has to meet the cost of upkeep on about 200 feet of roadway.

Put it another way. There are 1,239,888 cars in Canada, according to latest (1930) figures. With just under 400,000 miles of road each motorist (if motorists were to pay the whole expense of highway maintenance as many people think they do) would have to support about a third of a mile of highway.

Improvement Rather Than New Highways

Contrary to general opinion the length of our highways in Canada has increased by but little since the war—possibly three or four per cent. The expenditure has been chiefly in the direction of improving existing highways. Ten years ago Canada had about 40,000 miles of highway of the grade of gravel surface or better. Today we have over 80,000 miles of such roads. The asphalt and concrete roads built in 1930 totalled about as much as the whole amount of such roads in existence ten years ago.

The provinces alone spent $56,000,000 on capital account in 1930 building new roads and improving old ones. What the municipalities spent in addition could only be calculated by an array of statisticians.

Provincial Highway Debt Over $300,000,000

It is estimated that the provinces of Canada have incurred an indebtedness of $326,658,978 on account of highways but on top of this there is a vast and virtually inestimable amount of debt incurred by municipalities on the same account. One-third of all our provincial debts have been incurred on account of highways.

What highways cost each year is also difficult to figure. We know that in 1929-1930 there was spent by the provinces alone on maintenance $32,600,000. This figure has been compiled by the Citizens Research Institute of Canada. The interest and sinking fund charges on highway debentures amounted to $19,300,000. Thus the annual highways bill of the provinces is $51,900,000. This is almost four times the highways expenditures of ten years previously.

The number of automobiles in Canada has grown by 200 per cent in 10 years. The annual expenditures have grown by 275 per cent.

Motorists Pay Large Share of Bill

Now to what extent have motorists paid this bill directly? Total provincial revenues from automobile sources have increased from $5,900,000 to $40,100,000 in the same period.

These figures make it quite clear that motorists are not paying the full highway bill. In some provinces they are. In all provinces they are coming much nearer to it than they did ten years ago. Taking province by province, the motorists' contribution to highway expenditures was as follows for 1929-30.

British Columbia	68.5 per cent
Alberta	134.7 per cent
Saskatchewan	83.2 per cent
Manitoba	103.8 per cent
Ontario	92.8 per cent
Quebec	56.7 per cent
New Brunswick	54.9 per cent
Nova Scotia	55.0 per cent
Prince Edward Island	69.1 per cent

The automobile has of course added to taxes in other ways. It has increased federal expenditures through grants to highway construction and through such investments as the trans-Canada highway. It has piled an enormous burden upon the municipalities, which have had to widen streets, build bridges and add expensive traffic control systems. It has increased the cost of administering justice. Automobiles were responsible for 409 deaths and injuries to 10,000 people in 1930. The automobile has increased the deficit of the Canadian National Railways (borne by the taxpayers) through taking traffic away from the railways.

But the automobile has added to the health and happiness of the citizens. It has, to some extent at least, paid its own way. It has built up a large domestic manufacturing industry. It has encouraged tourist traffic. In 1930 we had a favorable balance of automobile tourist trade of $140,000,000.

Growth in Burden Has Been Rapid

But much of this is really beside the point. What concerns the citizen as a taxpayer is that a large proportion of the increase in the cost of government in Canada is directly attributable to expenditures on bigger and better highways; that the piling up of capital expenditures on highways is one of the factors that has tended to injure the credit of our provinces and municipalities; and that our capital and current expenditures on highways have increased much more rapidly than the total of motor cars in the country.

The figures suggest that one thought is worthy of the soberest consideration of our governments and particularly our provincial governments. It is this: should highway expansion in Canada be definitely curtailed (not stopped entirely of course) for a few years, until the population of the country has grown to the point where our public debts can be more easily carried and probably until the natural rate of growth in the number of automobiles in use has raised the direct revenue from motor vehicles to an amount equivalent to the annual cost of maintaining our highways?

At the present time the different provinces are discussing ways and means of getting more revenue from the motor cars. Ontario has just increased the license fees. The gasoline tax, which is now five cents a gallon in all the provinces, will be six and seven cents if some present plans mature. But the average motor car in Canada already pays more than $30 a year in direct taxes. Is this not high enough; is it even too high? Would the better way not be to aim at a maintenance or lowering of present scales of taxation through a slowing up in highway programmes?

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*Earlier articles in this series, which aims to present facts relating to the rise of taxation in Canada appeared in the previous three issues.

Canadian Wineries Reduces Dividend

Directors of Canadian Wineries Ltd. have declared a quarterly dividend of 5 cents per share payable January 15 to shareholders of record December 31, 1931. This action places the company on an annual dividend basis of 20 cents per share as compared with the 50 cents per annum basis which has prevailed since initial quarterly dividend was paid in July, 1929.

While no statement is made regarding the reduction in rate, the move has not been unexpected and was indicated in The Financial Post in September, 1931. Price cutting and severe competition in the low priced wine field has served to reduce the company's earnings although volume of production and sales has been well maintained.

National Cement Pays Shareholders Cash

From Our Own Correspondent

MONTREAL.—Preferred and common shareholders of the National Cement Co. (1923) received a circular advising them to forward their certificates to the Banque Canadienne Nationale, duly endorsed, and on receipt of same, a payment in Canadian funds of $102.67 for the preferred and $5.47 for the common shares, will be made. Such payments are subject to certain reductions, principally income war tax. Both classes of stock are closely held.

National Cement Co. came into being in 1923. Control was sold later to a group headed by Messrs. Raymond, Wilson and Timmins, and a new company of the same name was formed. In turn they sold out to Alfred Rogers, of Toronto, who turned it over to control of the Canada Cement Co.

In November, 1931, holders of the company's 7 per cent first mortgage bonds of National Cement Co. were asked to consider a plan for winding up the company. Directors later adopted a by-law providing for the distribution of the capital assets of the company.

Appoint Receivers for Am. Commonwealths

From Our Own Correspondent

MONTREAL.—Receivers have been appointed for American Commonwealths Power Corp. with the consent of the corporation, upon a petition filed by a stockholder. It is stated that the company has admitted insolvency and inability to meet maturing obligations. The company is known in Canada chiefly through the fact that it controls Dominion Gas and Electric Co.

The legal action followed a special shareholders' meeting at which the stated value of the corporation's "A" and "B" shares was reduced from $10 to $5 a share. This action, officials said, enabled the company to transfer $11,000,000 from capital to surplus account, bringing the total surplus to $15,000,000.

Windsor Company Diversifies Output

The Colonial Hide and Fertilizer Company, Windsor, N.S., is now manufacturing an all-wool blanket, as a side line, to provide employment for their regular employees.

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The Provincial Bank of Canada
Condensed Statement, November 30th, 1931
ASSETS

Cash and due from Banks	$5,280,366.25	
Government, Municipal and other high grade Securities	$18,476,913.28	
Call Loans	$5,861,872.35	
Deposits, etc.	198,500.00	
Immediately available assets		$29,817,651.88
Loans and Discounts		19,882,809.29
Bank Premises, Real Estate and Mortgages		3,124,438.55
Other Assets		391,369.92
		$ 53,216,269.64

LIABILITIES

Deposits (Current, Savings, Correspondent, Banks, etc.)	$41,191,200.86
Advance under the Finance Act	2,000,000.00
Notes in circulation	3,903,441.00
Other Liabilities	154,766.59
Capital, Reserve Fund and Undivided Profits	5,966,861.19
	$ 53,216,269.64

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Utilities and Transportation

CENTRAL STATIONS SHOW INCREASE IN DAILY OUTPUT

Maritimes and Prairies Report Records in November

From Our Own Correspondent

MONTREAL. — Average daily output of central electric stations in Canada during November was 46,244,000 kw.h. compared with 45,980,000 kw.h. in the preceding month and 50,514,000 kw.h. in November, 1930. Gains were recorded in all territories reporting with the exception of Ontario.

In Quebec, average daily output of water-generated power was 23,908,000 kw.h., a gain of 200,000 kw.h. over October, though a drop of 2,000,000 from November of the previous year. Maritime figures at 1,891,000 kw.h. showed an increase of 100,000 kw.h. in daily output of hydro power over October, while the Prairie provinces at 4,195,000 kw.h. and British Columbia at 3,290,000 kw.h. both showed gains over the previous month and in the case of the prairies, over November, 1930.

Daily output in Ontario, however, was lower, totalling 11,972,000 kw.h. in November compared with 12,344,000 kw.h. in the preceding month and 16,004,000 kw.h. in November, 1930.

Production Was Lower

As far as actual volume of production was concerned, the Maritime and Prairie provinces provided the bright spots in figures covering hydro output of central electric stations for November; government statistics showing that new records were achieved in both territories during that month. Quebec and Ontario, the major producers, both reported November output below the preceding month and below the same month last year.

Total output of all central electric stations for the 11 months ended November 30, 1931, was 14,876,196,000 kw.h. compared with 16,244,569,000 kw.h. in the same period in 1930.

New Maritime Record

In the Maritimes, output was 56,725,000 kw.h., the highest figure ever reported in any one month and an increase of nearly 1,000,000 kw.h. over October and 15,000,000 kw.h. over November, 1930. In the Prairie provinces hydro output was 125,867,000 kw.h., also a new record, representing a gain of 2,000,000 kw.h. over October and 13,000,000 kw.h. over November, 1930.

In Quebec, November output of central electric stations generated by water power was 717,250,000 kw.h., a drop of over 17,000,000 kw.h. from the preceding month and down 47,000,000 kw.h. from figures reported in November, 1930. Ontario output was down 23,000,000 kw.h. from October at 359,154,000 kw.h. while the decrease, as compared with November, 1930, was 121,000,000 kw.h.

B. C. Output Declined

British Columbia central electric station hydro output was also lower. Figures for November show output at 98,688,000 kw.h., a drop of 3,000,000 kw.h. from the preceding month while the decline from November, 1930, was 11,000,000 kw.h.

While power generated by water showed a drop in November compared with the previous month, power generated by fuel at 29,642,000 kw.h. showed a gain over all previous months in 1931 with the exception of January. Total central electric station output in Canada for November, both water and fuel, was 1,387,317,000 kw.h. compared with 1,425,408,000 kw.h. in the preceding month and 1,515,403 kw.h. in November, 1930.

Rate Reductions Made In Three N.S. Districts

From Our Own Correspondent

MONTREAL.—Under decisions filed by the Public Utilities Board, the communities of New Waterford, Birch Grove, and Dominion No. 6 in Cape Breton and the Town of Wolfsville, Nova Scotia, will receive cheaper rates for electric energy. In the latter community the reduction in rates will be about one third the former figure, and it is claimed, has been brought about by the introduction of hydro-power in place of steam generated power.

Public Utility Earnings

Mexico Tramways, Light and Power Group of Companies

Nov., 1931	1931 Pesos	1930 Pesos	Decr. Pesos
Mexico Tramways & Subsids.:			
Gross earn.	737,910	780,310	42,400
Op. & depr. exp.	777,270	877,870	100,100
Net earn.	*39,360	*97,060	†57,700
Aggre. gross from Jan. 1	8,500,230	9,136,620	636,390
Aggre. net from Jan. 1	*811,790	*796,940	14,850
Mexican Light & Pwr. & Subsidiaries: **			
Gross earn.	2,007,970	2,017,160	9,190
Op. & depr. exp.	1,085,070	1,006,740	†78,330
Net earn.	922,900	1,010,420	87,520
Aggre. gross from Jan. 1	21,841,475	21,245,734	†595,741
Aggre. net from Jan. 1	9,523,610	10,368,190	844,580

*Deficit. †Increase.

**These figures include the earnings of the Toluca Co.

Heavy increases in taxation have been imposed under recent legislation in Mexico, seriously affecting the earnings of the companies.

Can. Western Natural Gas

	1930 $	1931 $	Decr. $
January	362,736	262,102	100,634
February	281,453	226,842	54,611
March	237,024	232,102	4,922
April	177,978	214,889	*36,911
May	127,595	124,260	3,335
June	93,872	84,419	9,453
July	63,314	67,405	*4,091
August	55,387	59,367	*3,980
September	76,610	80,883	*4,273
October	158,095	121,074	37,021
Aggre. from 1st Jan. to 31st Oct.	1,634,064	1,473,343	*160,721

*Increase.

Brazilian Traction

	1931 $	1930 $	Decrease $
Gross earn.	2,408,855	3,532,353	1,123,498
Oper. exp.	1,038,809	1,457,219	418,410
Net earn.	1,370,046	2,075,134	705,088
Aggre. gross from Jan. 1	32,474,585	43,313,377	10,838,792
Aggre. net from Jan. 1	19,561,546	25,443,362	5,881,816

The decline in exchange again accounts in very large measure for the decrease in net earnings in comparison with November, 1930.

Barcelona Traction

	1931 Pesetas	1930 Pesetas	Increase Pesetas
Gross earn.	9,268,754	9,149,539	119,215
Oper. exp.	3,112,598	3,041,002	71,596
Net earn.	6,156,156	6,108,537	47,619
Aggre. gross from Jan. 1.	97,498,586	97,589,578	x90,992
Aggre. net from Jan. 1.	63,915,546	64,029,171	x113,625

x—Decrease.

NOVA SCOTIA LIGHT PLANT ACTIVITIES GENERAL FOR 1931

Subsidiaries Carry Out Several Expansion Programmes

From Our Own Correspondent

MONTREAL.—Nova Scotia Light and Power Co. played an important part in hydro-electric developments in Nova Scotia during the past year.

While Nova Scotia Light carried out construction work of minor importance during 1931, its subsidiary, the Avon River Power Co., constructed the first stage of its Gaspereaux diversion scheme, which when completed will carry the full regulated flow of Gaspereaux River, from a point just below Gaspereaux Lake into the head waters of the Black River, thus increasing the output capacity of their Black River plant.

Avon River Power also took over the generating and distribution system of the municipality of Middleton and constructed a transmission line from Aylesford to Kingston, to connect with the line from the Middleton plant which was rebuilt for 11,000 volts.

Toward the end of last year, Nova Scotia Light and Power applied to the Public Utility Commission for approval to acquire the assets and undertakings of the Avon River Power Co., which it already controls through stock ownership. Consequent upon this application there developed opposition from the Halifax civic authorities, who claimed the company's charges for electric energy were too high and made application to the board for a revision of the tariffs.

Preliminary hearings have been held by the board in connection with the Halifax petition.

DETROIT TUNNEL FIXED CHARGES ARE NOT EARNED

Outlook For Bond Interest Due May 1 is Most Doubtful

Net earnings of Detroit & Canada Tunnel Co. amounted to but 36 per cent of interest charges on the 6 per cent first mortgage bonds in the nine months period ended September 30, 1931, according to a financial statement of the company just made public. After payment of interest on bonds and debentures, the company had a loss for the period amounting to $763,117 before depreciation and amortization of properties, and provision for these items and other charges brought total deficit for the period to $1,347,662.

Affected by the most adverse conditions since being opened on November 3, 1930, the tunnel traffic has been far below estimates. Business conditions, unemployment, exacting enforcement of immigration and customs regulations and the discount on the Canadian dollar have all influenced tunnel earnings and combined with these factors has been the competition between the Detroit International Bridge, the ferry and the Detroit-Canada Tunnel. Operating expenses are stated to have been reduced to the minimum that will permit service which can meet competition.

Interest due on the $8,491,000 of 6½ per cent debentures on November 1, 1931, was not paid and the present financial statement would indicate that there is strong basis for fears that the interest on the $8,500,000 of 6 per cent first mortgage bonds will not be paid when next due on May 1. At September 30, 1931, the company had current assets of $671,769 and current liabilities of $1,024,951 including accrued interest on debentures of $229,965 which was not paid. Eliminating construction contracts payable out of special deposit and unpaid debenture indebtedness it would appear that cash on hand was sufficient to cover only about half of current liabilities due before October 1, 1932.

Current assets at September 30, 1931, consisted of special deposits of $505,215 held for payment of construction costs, working capital and on joint account. From this special deposit November 1 bond interest and tax requirements of $259,586 was paid and there remained outstanding a liability of $233,307 yet to be settled which is payable out of special deposits. Cash on hand amounted to $163,965 and miscellaneous accounts receivable to $2,589.

In addition to the liability above mentioned, current liabilities consist of accounts payable $75,612, interest on first mortgage bonds of $212,500, since paid from special deposits, and interest on debentures of $229,965 which was not paid. Provision for 2 per cent Federal income tax on interest on funded debt was $9,167; easment purchase contract due April 1, 1932, $100,115 and other notes and contracts payable of $164,286. In addition deferred liabilities amount to $121,388 of which bus purchase notes of $50,000 are due in October, 1932.

In addition to current assets, plants, property, rights, franchises, etc. are shown at $22,256,286; debt discount and expense in process of amortization at $1,520,160; prepaid expenses, supplies, etc. at $58,574 and claims against contractors at $28,748. Total of assets is $24,535,536.

Other than current and deferred liabilities there are reserves for depreciation and amortization totalling $425,354. Funded debt, bonds and debentures, amounts to $16,991,000 and 2,251,125 shares of no par value outstanding are carried at $7,316,156 or $3.25 per share

Statement of earnings and expenditures cannot be compared with previous figures but while earnings are under estimates, operating expenses have been kept within estimated costs. Consolidated income account for the nine months ended September 30, 1931, is as follows:

Gross earnings:	1931
Tolls	$465,706
Bus passengers and special coach hire	231,608
Non-operating revenues	23,904
	$721,218
Less: Operating expenses & taxes	583,374
Net earnings	$137,844
Less: 6% bond interest	382,500
6½% debenture interest	*413,936
General	18,876
Loss	677,468
Less: Amort. of debt discount & expense	85,649
Provision for deprec. of tunnel appurtenances & equip.	182,066
Provision for amort. of tube, lands, rights, franchises, etc.	169,019
Excess of int. charges over operating income for initial period in 1930 deferred as a charge to 1931	233,459
Net loss for period	$1,347,662

*Includes $229,965 accrued since May 1, 1931, which was not paid on Nov. 1, 1931.

GATINEAU POWER INSTALLS SEVENTH PAUGAN TURBINE

Company Now Generates Total of 679,100 Horsepower

From Our Own Correspondent

MONTREAL.—Gatineau Power Co., subsidiary of Canadian Hydro-Electric Corp., has completed installation of the seventh 34,000-h.p. generator in its Paugan hydro-electric plant on the Gatineau River. With the addition of this unit, the plant now has an installed capacity of 238,000 h.p. and ranks as one of the largest hydro-electric generating systems in North America. The power house is capable of housing eight 34,000-h.p. generators and the installation of the present seventh unit accordingly was made at comparatively low additional capital cost per h.p.

With the installation of this new unit at Paugan, the company now generates 472,500 h.p. in its plants on the Gatineau River, while the present inter-connected capacity of all its stations on the Ottawa River, Gatineau and other tributaries has been increased to 574,700 h.p. In addition, the company has 104,400 h.p. in other hydro-electric plants, making a grand total of 679,100 h.p. in all.

Turbine Made in Canada

The turbine of the new unit at Paugan was manufactured by Dominion Engineering Works, and is, with minor exceptions, a duplicate of other fixed water wheels at the plant. The overall height of the runner and shaft is 19 ft., 3 in. and the total weight of the entire turbine is 236 tons.

The generator was supplied by Canadian Westinghouse Co., which also supplied the connecting material for the excitation systems and the remaining control equipment which was not installed with the original development.

The three additional single phase 19,000 k.v.a. transformers installed at Paugan were fabricated by Canadian General Electric Co., and weigh 115 tons each. These units are the first of this type to be built in Canada by that company, and they step up the current from the generator's voltage of 6,600 volts to 220,000 volts for transmission to Toronto, 230 miles away.

MERSEY PAPER OUTPUT IN 1931 AT $4,500,000

Will Install Another Unit When Business More Normal

From Our Own Correspondent

MONTREAL.—Operations of the Mersey Paper Co.'s plant at Liverpool, N.S., were conducted on a full time basis in 1931, despite generally adverse business conditions and unnsettlement in the newsprint market.

It is officially stated that contracts are in hand for the full output of the plant during 1932 and that costs are now somewhat below those of the 1931 average.

Though the falling off in demand for paper and lower prices have made it difficult for Canadian newsprint companies to make ends meet, it is stated that a general return to normal business conditions will probably mean the installation of one of two additional paper machines in the Mersey mill, thus increasing its capacity and reducing the overhead expense.

Output for 1931

During the past year, Mersey Paper produced newsprint to the value of nearly $4,500,000, 90 per cent of which represented sales in the United States, the balance being sold in Nova Scotia.

Some interesting statistics have been prepared by the management on the company's operations in 1931. During the twelve months, with machines running at average speed, the mill produced 560 miles of paper, 18 feet 8 inches wide, every working day, and in 310 working days this amounted to 174,000 miles of paper. This is 48 times the distance across Canada from Halifax to Vancouver. If the year's output of paper were a foot wide, it would encircle the earth 130 times at the equator.

Much Materials Used

The fresh water used at the plant in converting wood into newsprint during 1931 would have supplied a city of 50,000 inhabitants, and enough electricity was used to supply a city three times the size of Halifax for all purposes. Large quantities of limestone, sulphur, alum and other chemicals were used.

The cost of raw materials and electric energy used by Mersey Paper in 1931 had a value of approximately $2,000,000. In addition to this, the cost of the necessary new equipment, replacement equipment, and various other essentials in the manufacture of newsprint, amounted to a good many thousands of dollars. The payroll for last year amounted to $1,000,000.

'POWER' INCOME TAX $935,454 FOR 1930

New Rates Increased Former Sum Paid in Tax By $198,090

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat & Power Cons. will pay nearly $1,000,000 in income tax for 1930. Although taxes of almost 750,000 have already been paid by the company as its 1930 assessment, another tax cheque has just been sent to the Receiver General of Canada, covering the retroactive increase in corporation income tax imposed by the 1931 Federal Budget. The latter cheque amounts to $198,090, making the company's total income tax for 1930 $935,454.

Officials of Montreal Power state that if their federal corporation tax burden were removed, it would make possible a reduction in the price of electricity from the present net rate of three cents per kilowatt hour to 2.58 cents per kilowatt hour. If applied to gas rates, it would reduce the present net rate of $1.05 per thousand cubic feet to 89 cents.

It is pointed out that the effect of the arbitrary application of an ever increasing income tax is an impost upon citizens of Montreal, and furthermore threatens to retard the company's progressive record of rate reductions. Although the present large assessment may be obsorbed without forcing an increase in rates, it postpones those reductions which might be expected would normally ensue.

The company in the past has repeatedly stated its intention of applying any relief afforded in the matter of discriminatory income taxation to a reduction in rates for service should the government see fit to remit the taxation of privately owned public utilities throughout the nation. It is pointed out that revenue for the national treasury is extended for the good of the nation as a whole, yet consumers of electricity in districts supplied by municipally controlled systems are exempted from this form of indirect taxation. They received equal benefits from the application of Federal funds, yet their proportion of the population is free of a substantial fraction of its new contribution.

Power Board in N. S. Considers Merger Case

From Our Own Correspondent

MONTREAL. — Decision with regard to the proposed merger of Nova Scotia Light and Power Co. and the Avon River Power Co. now rests with the Nova Scotia Board of Public Utilities, following hearings extending over a period of several weeks. Counsel for the city of Halifax, at the final meeting before the Board, referred to the first proposal of the merging of the properties and the contention by the company that all the utilities,—power, tramways and gas,—be considered as one when dealing with earnings.

He quoted previous decisions of the board, which, he contended, bore out his and the city's claim that the utilities be considered separately.

Canadian Pulp and Paper Industry

ADVISES AGAINST COMMITMENTS IN PAPER STOCKS

Mergers May Lead to Further Cuts in Capital

From Our Own Correspondent

MONTREAL.—Holding the view that such mergers as may be effected over the longer term will be of little benefit to present junior securities, because of the necessary reductions in capitalization which they would involve, Standard Statistics Inc., one of the largest financial statistical publishing houses in the United States, advises against any new commitments in paper stocks at this time; in fact, with two exceptions, recommends liquidation.

The stand is taken that the recent cut in the price of newsprint should hasten mergers. Several factors have recently arisen which accelerate these negotiations and the possibility of a merger or a close-working association, is considered as favorable, though no definite step is likely for several months. This follows along the lines of opinion expressed in the columns of The Financial Post for several weeks past.

Prospects Not Encouraging

After pointing out that overcapacity restricts profits and that heavy fixed charges must be met on the over-large capital obligations, Standard Statistics points out that even with the increasing advantage of foreign exchange it is not to be expected that Canadian producers can establish a favorable level of income during 1932. In so far as American producers of newsprint are concerned, the outlook for 1932 has been made definitely more unsatisfactory by the price cut.

Turning to the individual companies, this service says that even should the proposed Canadian newsprint merger materialize, no immediate benefit to common stockholders of Abitibi Power and Paper Co. would result.

The comment upon Consolidated Paper Corp. is that in view of the prevailing conditions and unfavorable prospects in the newsprint industry, it is doubtful that adequate earnings on the new capitalization can be realized for some time to come.

Views on Stocks

Earning power of International Paper and Power Co. is expected to remain of entirely inadequate proportions pending evidence of basic improvement in trade conditions.

Considering the unsatisfactory near term trade outlook and the improbability of early benefits, stock of Price Bros. and Co. is not regarded as attractive.

The two stocks more or less favorably regarded at present are Kimberly-Clark and Scott Paper, because it is the belief that values have thoroughly discounted present unfavorable conditions.

New Problems Confront Foreign Paper Makers

Suspension of Gold Standard Creates Difficulties For Pulp and Paper Manufacturers in Scandinavian Countries

From Our Own Correspondent

MONTREAL.—Suspension of the gold standard by England and consequent similar action by the Scandinavian countries, created new problems for the pulp and paper industries of Norway, Sweden and Denmark, inasmuch as they are dependent upon exports for the disposal of the bulk of their output.

In a special report to the United States Department of Commerce, the commercial attaché in Norway points out that Scandinavian pulp, as well as paper, is sold mostly on forward contracts and, with the exception of the United States, is often quoted in Sterling exchange. None of these contracts provided a guaranteed rate of exchange, and buyers in countries remaining on the gold standard benefitted to the extent of 15 to 20 per cent. Even in the United Kingdom, with sterling not on a par with the crown, buyers enjoyed a slight advantage. The most pressing problem for the moment, however, was to decide on a definite policy with reference to new quotations, which has not been solved in quite the same manner in the three countries — Norway, Sweden and Finland.

Want Guaranteed Rate

The Swedish Paper Mills' Association, the report goes on to say, decided on October 1 to ask for a guaranteed rate of exchange on new sales. It has been possible to obtain this in some instances, but it is, of course, perfectly natural for buyers not to accept such a provision unless absolutely necessary, and it has not always been possible to enforce it. Price conventions which exist also influence the situation. The classes of paper which Sweden manufactures principally, such as M. G. sulphite, sulphite wrapping, and grease proof, has been sold at a guaranteed rate, but on such grades as China cap and kraft, in which there is keen competition, the sellers have had to take the risk. On the whole, the suspension of the gold standard has not given the Scandinavian producers any marked advantage; on the contrary, it seems to be the consensus of opinion that selling problems have been complicated, because many contracts taken involve risks.

The recent elections in the United Kingdom have stimulated business with that country, because it is expected that customs duties will be levied on various grades of paper, and importers are buying in anticipation of profits to be made in direct relation to the rate of duty imposed. In addition, there is the seasonal Christmas demand, the small stocks on hand, and a general quickening of business activity, which not only benefits Scandinavian producers but domestic mills also.

U. S. Sales Stabilized

Sales in the United States have always been made in dollars and do not present any exchange problems or risks. Prices, if compared with sales to British buyers in pound sterling, have been better maintained, and, converted into crowns, give better returns than a year ago. The same is true in regard to paper sold to France and quoted in francs. In other markets, especially in the South American countries, conditions are very uncertain, and barter has even been mentioned—similar to the exchange of American wheat and Brazilian coffee. Business with China has recently shown a marked increase, following the general boycott of Japanese products.

Benefit Groundwood Mills

The principal raw material, pulpwood, will be paid for in the depreciated currencies of the three northern countries and, in the case of Norway, at considerably lower prices than a year ago, the difference being about 25 per cent. If the present rate of depreciation of the Norwegian crown is added, the difference is nearly 50 per cent. This will benefit the ground-wood mills more than the chemical pulp mills, of course, inasmuch as in the former wood is the principal cost item, while in the latter chemicals also must be considered. These are imported, mostly on a gold basis, although pyrites are produced in Sweden and Norway, and mills equipped to use pyrites instead of sulphur will enjoy a proportional advantage.

Wages also will be paid in depreciated currencies. In Norway new agreements concluded in September were to be in effect for three months, with possible adjustments based on the wholesale price index in January, 1933. Present wage agreements in Sweden expire this year, and the currency situation will make new wage rates more difficult to arrange than usual.

Pulpwood Producers To Seek Lower Rates

From Our Own Correspondent

MONTREAL.—An effort is to be made by the New Brunswick Pulpwood Producers Association, recently organized at Fredericton, to have freight rates on pulpwood from New Brunswick to the pulpwood markets reduced by the railways, particularly the rates into Maine, which state is the biggest consumer of New Brunswick pulpwood outside the province itself.

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1932 - ?

Under the title of "1932 - ?", the monthly Review accompanying our January Bond List deals with a number of financial problems of a world embracing nature which must be faced in 1932. These factors have an important bearing upon Canada and should be of interest to all investors.

Copy of Review and List will be gladly furnished upon request.

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News of Investment Markets

BOND OUTLOOK NOW OBSCURED PRICES DOWN

Many Sound Securities Sell at Unprecedented Levels

LIVING COSTS DOWN

World at War Economically; International Action is Needed to Restore Balance

Canadian investment markets have opened the new year with prices of securities at a low point comparable with none in recent years. Bonds of companies that have weathered the past two and a half years of business depression with earnings reasonably well maintained are naturally commanding highest prices but public utilities and the industrials that can be included in this category are not numerous and prices of their securities have been affected in varying degrees with condition of the market as a whole. Yields to be secured on highest grade bonds are therefor well above the average over a period of years and offer opportunities to careful investors.

Canadian public utility and corporation bonds which for various reasons cannot be included in the first rank are selling at a discount of up to 40 points and more below par due to lack of demand on the part of investors. Many of these issues, in more prosperous times, were well regarded and with improvement in business conditions are expected to return again to favor. Low prices prevailing are reflection to a large extent of lack of marketability rather than lack of security. To the investor buying for a long hold and who can afford to speculate in some degree such second-grade bonds present many opportunities for appreciation in principal, combined with a high yield and adequate security.

Purchasing Power High

A comparison of yield to be secured from high-grade Canadian government bonds with the cost of living in Canada covering the period 1920 to 1931, inclusive, has been prepared by Wood, Gundy & Co. in graphic form. The chart shows clearly the fact that purchasing power of the Canadian dollar, measured in commodities, is the highest since 1920. Yield to be secured from high-grade government bonds in Canada at current prices is the highest since December, 1922, while cost of living is the lowest in over 12 years.

It is notable that late in December, 1920, the yield from government bonds was temporarily about 6.5 per cent and at the same time the cost of living index issued by the Dominion Bureau of Statistics was at 190. At the present time with a yield of some 5.5 per cent on government bonds, the cost of living index is down to around 135. The present yield to be secured on high-grade Canadian government bonds is greater than at any time since before the turn of the present century with the exception of the period starting in the summer of 1917 and extending to the spring of 1922.

Prices Down At Year End

Drop in Canadian bond prices to present low levels has taken place since early September, 1931. Previous to Great Britain's abandonment of the gold standard announced on September 21 there had been a sharp drop due to the international financial situation. The announcement caused a temporary panic in the bond market and prices continued to decline until early in October when there was a decided improvement for two weeks following the Hoover announcement as to strengthening of the banking investments in the United States.

Average yield on seven high-grade Canadian government securities was some 5.17 per cent on October 1 and had dropped to 4.95 per cent by October 9. After a weakening in prices in the last half of October there was relatively little change until after the National Service Loan was sold. Prices dropped sharply in the first part of December to give a yield around 5.5 per cent, recovered before Christmas and remained stationary during the holidays. Currently the average quoted is slightly under 5.4 per cent.

Investment bankers point out that many of the prices prevailing on corporation bonds are similar to prices that would prevail if the companies were in receivership. Prices, in many cases, are not a reflection on the security behind the bond but are merely an indication of a lack of marketability due to a number of factors which may not be at all related to the security to be sold or purchased.

It is pointed out that an investor who holds a first mortgage bond is probably in a much stronger position, despite depreciation in market price, than he would have been had the purchase been made of a first mortgage on some property. Investors generally placed their funds in such mortgages prior to the war and the history of marketability of such investments is not as favorable, on the whole, as the better class of corporation and public utility bonds.

Improved bond prices can only come with a return of investor-confidence upon which improvement in the world economic situation and improved industrial earnings will have a material effect. As previously stated, many bonds are selling at exceptionally low levels and offer opportunities for investors who can discriminate and who are willing to consider long-term prospects.

Outlook Still Complicated

In connection with the world financial situation the current monthly letter issued by Wood, Gundy & Co. states that the world outlook is still complicated but that the rapidity with which steps have been taken in recent months to face and surmount these difficulties has been gratifying. The necessity still remains of settling vital questions that are apart from the normal course of business and "until some decisive steps of international character have been taken it is not possible to speak of the immediate future with confidence."

NEWFOUNDLAND BORROWS FUNDS TO PAY INTEREST

Canadian Banking Syndicate Loans Government $2,200,000

From Our Own Correspondent

MONTREAL.—Interest on the public debt of Newfoundland, due January 1, will be paid, following arrangements concluded with the Bank of Montreal, the Royal Bank of Canada, the Bank of Nova Scotia and the Canadian Bank of Commerce. The amount involved is $2,200,000.

Newfoundland has adopted a policy in the matter of the conservation of gold reserve which is in harmony with that already adopted in the United Kingdom, according to Sir Richard Squires, Prime Minister. The notes of the syndicate banks will be legal tender in Newfoundland.

Restrictions Are Modified

Though full details of the terms on which the banking syndicate made the loan of $2,200,000 to the Newfoundland Government are not available it is understood that various modifications of conditions originally stipulated by the banks were obtained. The banks had asked that as long as the Government was in its debt in regard to the temporary loans it should undertake not to alienate by lease or sale the Labrador territory nor the timber, waterpowers, or other natural resources without their consent. This was modified to the extent that the banks agreed that any proceeds obtained from any disposition of these properties should be applied first to extinction or reduction of the floating debt to the banks, so long as Newfoundland was indebted to them in the matter of the loan.

The banks also asked that Newfoundland customs duties be paid into a special account at some bank nominated for the purpose, day by day. Trustees would be appointed who would retain each week in the special account sufficient for payment of accumulated interest on the whole of the public debt, having regard, however, to the seasonal nature of customs revenue. This has been changed to a plan whereby all customs duties will be paid into a special account to be carried in the names of Sir Percy Thompson and the Treasury Controller.

Wanted Adviser Appointed

Another stipulation resisted by the Government was that a man nominated by the Imperial or Canadian Government should be appointed to act as adviser to the Government, his term of office expiring six months after the next general election.

He was to have access to all information as to Government activities, particularly those involving expenditure and revenue collection, and would have been authorized to furnish the banks with such information as he deemed necessary. The Government held that such an appointment would be virtually a receivership, and that access by the banks to Government business would be altogether undesirable. It was further felt that this would give the banks the power, if they so desired, to exercise undue influence in the event of an election.

The Government in its reply emphasized the positions held by Sir Percy Thompson and J. F. Penson, which positions it undertook to confirm. The banks then agreed to waive their condition regarding appointment of an adviser.

The sum loaned to Newfoundland represents payment of interest on the whole Newfoundland public debt, the foundations of which were laid upward of 30 years ago. It is stated that Newfoundland will balance its budget for 1932-1933, and in doing so will take account of all its liabilities, including the service of its public debt.

Various economies have been effected in Newfoundland's Government services.

Two Ministries have been amalgamated, those of Marine and Fisheries with Agriculture and Mines, the post of Minister of Mines and Agriculture being abolished. The new joint Ministry will be called The Ministry of Natural Resources.

NEW BRUNSWICK BOND OFFERING TESTS MARKET

Large Group Guides First Provincial Financing in 1932

Offering of $5,062,000 5½ per cent bonds of the Province of New Brunswick by four banks and 13 investment houses at a price to yield 5¾ per cent to maturity in 1952, is the first test of the 1932 bond market and the first new provincial bond issue since July, 1931. The degree of success attending the sale of the current issue is expected to have a marked effect on offering prices of other provincial and municipal issues that are in the offing and which must eventually come on the market.

Preceding the New Brunswick issue by one week, Hamilton, Ont., floated an issue, the first major municipal issue in some months. No offers were made for the entire $1,594,000 of 5 per cent serial bonds but a Toronto syndicate took a commitment of $600,000 with an option on the remainder. Offered on a 5.65 per cent yield basis the bonds are reported to have been well received and the syndicate has taken up additional bonds.

Issue Well Sponsored

Canadian provinces and municipalities are now dependent upon Canadian investors for the purchase of new bond issues and since financing undertaken at this time is not being done under the most auspicious circumstances every effort is being made to ensure that financing, when it is done, will be completed. The comparatively large group offering the New Brunswick bonds is taken as an indication of the co-operation that may be necessary, and seems at present advisable, to provide sale of the entire issue with a minimum of risk to the distributors. With a yield of 5.75 per cent the bonds are priced somewhat under the market and this yield compares with a yield of 4.53 per cent which the last New Brunswick issue, sold in April, 1931, presented.

Will Balance Budget

Financial statement of New Brunswick at December 30, 1931, shows gross funded debt, including the new issue, at $53,516,996 and a net funded debt of $41,895,537. Population is 408,255. In addition to net funded debt the province has a floating debt of some $2,289,000 and guaranteed obligations of $1,157,000. The floating debt has been incurred on permanent roads, bridges and public buildings and will be funded at a later date. In the fiscal year ended October 31, 1931, the province had receipts of $5,934,746 and expenditures of $6,616,448, leaving a deficit, subject to audit, of $681,702. It is understood that it is the intention of the government to balance the budget for the year ended October 31, 1932.

Subject to the success that attends the placing of the New Brunswick issue other financing by provinces and municipalities is expected. Montreal is reported to be an early borrower to the extent of some $15,000,000; Ontario's needs have been announced at $40,000,000 and Quebec requires some $10,000,000. Toronto is expected to be in the market. Needs of the western provinces will be taken care of without resorting to public offering of bonds at the present time. Several small municipalities have marketed small blocks of bonds locally and this method has been suggested for some of the larger cities. The large borrowers cannot supply their needs in this way and run the risk of damaging their credit should such measures fail.

Bond Tenders

4 o'clock, Jan. 18, City of Cap de la Madeleine, Que.—$7,700, 5½ per cent bonds, dated Jan. 2, 1932, redeemable serially from Jan. 2, 1933 to Jan. 2, 1952, payable at Banque Can. Nationale, at Montreal, Quebec, Three Rivers and Cap de la Madeleine. R. Rocheleau, clerk.

Jan. 18, noon, Luceville Village, Que.—$6,100, 5 per cent bonds dated May 1, 1931. Redeemable serially from May 1, 1949 to May 1, 1956. J. Cote, sec.-treas.

Jan. 16, noon, United Counties of Leeds and Grenville, Ont.—$250,000, 5½% 10 installment debentures. Payable Brockville, Ont. Purpose: $187,286 for provincial highways; $140,382 for county roads. William Holmes, county treasurer, Brockville, Ont.

British Columbia Authorizations

The following certificates have been issued by the Municipal Department of British Columbia upon the following dates:

Oct. 2—City of Cumberland, "Cumberland Electric Lighting Company Limited Purchase By-law," by-law No. 95, $80,000, payable in 20 years, interest at 5%, payable half-yearly.

Oct. 9—District of Summerland, "Irrigation Storage Loan By-law, 1931," $4,000, payable in five years, interest at 5% payable half-yearly.

Nov. 9—City of Fernie, "Waterworks Improvements By-law, 1931," by-law No. 320, as amended by the "Waterworks Improvement By-law 1931, $40,000, payable in 20 years interest at 5% payable half-yearly.

Nov. 10—City of North Vancouver, Sanitary Sewer Local Improvement Debenture By-law 1931," $4,708 payable in 20 years with interest at 5% payable half-yearly.

Nov. 10—City of North Vancouver, Sanitary Sewer Local Improvement Debenture By-law, 1931," $6,920, payable in 20 years interest at 5% payable half-yearly.

Nov. 17—District of Burnaby, "Local Improvement Debenture By-law No. 67, 1931," $835, payable in 10 years, interest at 5% payable half-yearly.

Dec. 1—City of Prince Rupert—Local Improvements: by-laws Nos. 818 to 848, inclusive, $90,713, payable in 20 years, interest at 5% payable half-yearly.

Dec. 29—City of Victoria—"Serial Debentures Refunding Loan By-law, 1931," $200,000, payable in 15 years, interest at 5% payable half-yearly.

6 o'clock, Jan. 15, Town of Dorval, Que.—$60,000, 5½ per cent, filtration plant bonds, dated Nov. 1, 1931, redeemable serially from Nov. 1, 1932 to Nov. 1, 1961. H. Meloche, sec.-treas.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Leamington, Ont.	Dec.	Locally	5½%	15-ins.	$15,760	100	5½%
Hamilton, Ont.	Dec.	McLeod, Young, Weir & Co., Fry, Mills, Spence & Co., Bell, Gouinlock & Co., and Dyment, Anderson & Co.	5%	......	†600,000	...	5.95%
New Brunswick	Jan. 6	Dominion Securities Corp., A. E. Ames & Co., Wood, Gundy & Co., Hanson Bros., McLeod, Young, Weir & Co., Royal Securities Corp., Nesbitt, Thomson & Co., Fry, Mills, Spence & Co., Bell, Gouinlock & Co., W. C. Pitfield & Co., R. A. Daly & Co., Eastern Securities Corp., T. M. Bell & Co., Bank of Montreal, Royal Bank, Can. Bank of Commerce, Bank of Nova Scotia	5½%	1952	5,062,000	*97	5.75%

*Offering price.
†Of a total issue of $1,594,000.

SHERBROOKE RLY. ENDS OPERATION OF TRAMWAYS

Southern Canada Power's Subsidiary Found Going Difficult

From Our Own Correspondent

MONTREAL.—Sherbrooke Railway and Power Co., which has operated a tramway belt line and autobus service in Sherbrooke and Lennoxville for the past 36 years suspended transportation operations on January 1. The company is a subsidiary of Southern Canada Power Co.

Continued losses due to business conditions were followed by an application to the Public Utilities Board to authorize discontinuance of the service. The Sherbrooke City Council petitioned to take over the service free of charge for a certain period but the proposals advanced by the company were rejected by the council.

ALGOMA CENTRAL PASSES INTEREST MORTGAGE BONDS

Terminal Company's Position to be Set Forth in Circular

From Our Own Correspondent

MONTREAL.—Interest on £615,540 of 5 per cent first mortgage bonds of Algoma Central Terminals, due on December 31, 1931, has not been paid. A meeting of bondholders will be convened in a short time and a circular, now in course of preparation, containing a statement of the present position will be sent to security holders with notice of the meeting.

The five per cent mortgage bonds were issued in June, 1931, in exchange for a former issue of $4,992,713, 5 per cent, first mortgage bonds under the scheme of arrangement whereby Lake Superior Corp. was relieved of its obligation in connection with bonds of Algoma Central and Hudson Bay Railway Co. and Algoma Central Terminals. Interest on the present issue is payable in Montreal or London at $4.86 to the £.

Under the same scheme bondholders of Algoma Central and Hudson Bay Railway received income securities and trust certificates, the latter representing about 49 per cent of the new common stock of the railway company and one-third of the new common stock of the holding company.

Melcher's Statement to Reflect Changes

From Our Own Correspondent

MONTREAL.—Forthcoming report of Melchers Distillery Ltd. for the year ended December 31 last is expected to show a small operating profit. During the preceding year the company had a net operating loss of $2,897.

The most interesting feature of the report, however, will be the balance sheet which will show rather radical changes. The bank loan of $390,000 at the end of 1930 has been lowered, but the principal change will be in the adjustment of values to replacement values. This will mean the cutting down of the value of inventories, shown on the last report at $1,543,000, as well as the $1,555,000 set opposite trade marks, goodwills, etc.

Greenshields Meeting Given Another Hoist

From Our Own Correspondent

MONTREAL.—Further adjournment for three weeks of the meeting at which all creditors will be asked to vote upon the proposed scheme of reorganization for Greenshields and Co., bankrupt Montreal brokerage firm, has been agreed upon by the Ottawa creditors and the partners of the defunct firm. The meeting was scheduled to have been held on January 7, but will now be held on January 28.

While a major part of the information sought by this group of creditors has been furnished, more details are required of events in connection with the failure of the firm before all of the Ottawa group are to be satisfied.

Watson and Chambers Will Not Reorganize

From Our Own Correspondent

MONTREAL.—Unlike McDougall and Cowans and Greenshields and Co., partners of the defunct brokerage firm of Watson and Chambers do not contemplate any scheme of reorganization. Word to this effect is contained in a letter despatched to the creditors by the trustee.

"As a result of the temporary improvement in security values during a part of the last month, realization of various securities held by secured creditors took place. The position now is that the majority of the secured creditors, including all those in the United States have satisfied their claims out of the proceeds of such realization, and handed over the resulting equities (in cash or in securities) to the trustee.

"The total remaining loan indebtedness to secured creditors amounted as at December 28 to $174,372.82, as compared with a total of $1,237,060.79 at the date of the receiving order, October 6.

"The realization of the assets under the control of the trustee has been proceeded with as circumstances permitted with a view to making a first distribution to ordinary creditors as soon as possible; but under presently existing conditions your trustee and inspectors consider it advisable to defer further realization in the meantime, as it is felt that some possible improvement in security values may result after the turn of the year," says Mr. Currie's letter.

In addition to Mr. Currie's name, the letter is also concluded with the names of the inspectors: G. W. Crombie, C. W. MacLean, F. S. Mathewson, J. A. Prud'homme and A. Schwartz.

Commerce Minimum Price

MONTREAL.—Notice has been given on the Montreal Stock Exchange that the minimum price of Canadian Bank of Commerce stock, has been reduced to 191, effective on January 4 last.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Cascade Water Power	4½%	1940	†May 1	100
Interlake Tissue Mills	*6%	1935	Feb. 1	101
Mt. Royal Tunnel & Term.	*5%	1970	Apr. 15	100
Foreign Issues—				
City of Oslo, Norway	5½%	1946	Feb. 1	100

*Called in part.
†Or before.

Canadian Securities Given Credit Rating

U. S. Banks Can Obtain Credit from New Reconstruction Finance Corp. on Canadian Bonds—May Strengthen Market

Canadian government securities and corporation securities have been given preference over all foreign securities held in the United States by a recent amendment to the bill at present under consideration by the United States Senate banking subcommittee which will form the basis of the proposed Reconstruction Finance Corp. This corporation, to be established with a government capitalization of $500,000,000, will inject some $2,000,000,000 of credit into industrial and commercial channels in the United States.

The proposed corporation will extend credits to banks, insurance companies and other financial institutions in need of accommodation and will be authorized to issue bonds up to $1,500,000,000. The United States treasury is authorized to buy or sell these bonds. Loans will necessarily be covered by collateral and the amendment to the bill affecting Canadian and foreign securities is as follows:

"No loans or advances shall be made on securities issued for foreign governments or corporations, except those of the Dominion of Canada and of Canadian corporations, or for the purpose of assisting in the carrying or liquidation" of such securities as collateral.

The effect of this amendment is expected to have a strengthening effect on Canadian bond prices in New York over a period of time. Canadian securities have been affected by selling by banks in the United States which were attempting to improve cash position and which would have had to take high losses had they sold foreign bonds.

Year end window-dressing is now over and with Canadian securities given a collateral value by the Reconstruction Finance Corp. and also giving a high yield with relatively high security further liquidation may be averted, especially by those banks which will take advantage of the new credits afforded. The action taken by the Senate banking subcommittee will also have a good psychological effect on Canadian securities and may cause buying of such securities by the banks.

ATLANTIC SUGAR SCHEME OPPOSED BY SHAREHOLDER

Claim Holmsted Plan Does Not Treat Preferred Fairly

From Our Own Correspondent

MONTREAL.—The proposed Holmsted scheme for the capital reorganization of Atlantic Sugar Refining Co., whereby that company would retire some $625,000 of bonds, convert the present preferred shares of $100 par value each into 4 shares of $25 par value each and thus permit payment of dividends by mid-year, does not meet with the approval of all the preferred shareholders.

A number of conversations have been held with the directors over the suggested plan and as announced last week, the directors are willing to put the plan up for consideration of the shareholders provided that the Holmsted interests can secure sufficient backing from the preferred shareholders. Contrary to the impression in some quarters the scheme has not been approved by the directors and it is still in a tentative stage.

Opposed to Scheme

Arthur Jones, of Montreal, a holder of the preferred shares, takes exception to the Holmsted proposal and has the following to say:

"Having regard to the things that have already taken place within our province, and the various deals that have been put through (whereby shareholders have sanctioned and authorized the alienation of their individual holdings and interests) I cannot confess to any great surprise that the Toronto shareholders of the Atlantic Sugar, who, last summer, showed such keen anxiety to purchase control of the common stock should now seek to enhance the value of same, at the expense of the preferred shareholders, and to that end they appear to be utilizing the services of Messrs. Holmsted & Sutton.

"A letter recently received from this firm suggests that the preferred shareholders should signify their willingness to have their stock converted into four shares of 7 per cent preferred of the par value of $25 each, holding out as an inducement the proposal of a dividend declaration in July next and a possible bonus of $1.25, in compensation for foregoing accumulated dividends now standing to their credit.

Says Plan Absurd

"This proposition is, in my humble judgment, absurd, especially in the light of the financial position of the company, and, if accepted by the preferred shareholders, would certainly indicate a complete lack of ability on their part to judge the value of their holdings, and on the other hand, it would be a compliment to the ability of the Toronto interests, in taking advantage of the situation, and also indicate to the financial world at large the fact that we (the Preferred Shareholders) did not know "on which side our bread was buttered" or else were not competent to judge values.

Set Forth Facts

"In the proposition made to us by the Toronto firm, they start off with recounting three well-known facts:

"First: that the Trust Deed securing the General Mortgage prevents the company from paying dividends on its capital stock, until such time as the total bonded indebtedness of the company shall have been reduced to $3,000,000;

"Second: that the company cannot pay any dividend, if by doing so, their net current assets would be reduced below $750,000.

"Third: that should the company declare a dividend upon the stock, an amount equal to such dividend has also to be applied to the redemption of the General Mortgage Bonds.

Hold Own Bonds

"The above is perfectly true. Now just what is our position, and how does this affect our interests at this juncture? Our company's statement for 1930 shows that we have on hand $1,174,987.80 worth of our bonds which had been redeemed and these could be cancelled at any time. Take the amount of these redeemed bonds off the total of our bonded indebtedness of $3,821,246.67, and we should then have outstanding only an amount of $2,646,258.87. This is considerably less than the three million referred to.

"Some years ago, when these General Mortgage Bonds were created, the shareholders subscribed for a considerable amount of the new stock on the basis of $25 per share, and the preferred shareholders, knowing that their stock was cum. con., fully supported this action, and they have been patiently waiting for the time when they would receive their accumulated dividends. The proposition now being made from Toronto, I find to be a very insidious method of blighting their expectations.

"Again referring to the statement for the year ending 1930, supposing we eliminate from the assets the $3,000,000 put down as the value of our franchises, leases, and goodwill. This would leave the land, buildings, wharves, plant and equipment as being fully worth $6,136,651, at which price it appears in the said statement. The remaining assets are principally cash. On the other side, we will show the total liabilities, including bonded indebtedness. Now to recapitulate:

Total Assets	
As shown in statement	$12,601,735.50
Deduct from same items for franchises, leases & g'dwill	3,000,000.00
Leaves value	$9,601,735.50
Total Liabilities	
Bonded indebtedness	$3,821,246.67
Accounts payable	380,021.50
	$4,201,268.17
Leaving our net assets	$5,400,467.33

Net Assets Adequate

"These net assets are fully adequate to protect the 11.111 shares of cumulative preferred stock. In other words, we have a value of nearly $500 for every share of preferred stock.

"I judge that the land, buildings, wharves, plant and equipment of a going concern, (with a record like the Atlantic Sugar Refining Co. Ltd.) and the franchises, leases and goodwill are fully worth the amount at which they are being carried on our books. In this case the preferred shareholders have another $3,000,000 behind their securities. The common stock is not a liability on the company, until all the requirements of the preferred stock have been taken care of.

Value of Stock

"Last year's statement shows the actual value of the common stock (not allowing anything for franchises, leases or goodwill) was over $54.37 per share, and as we understand this year has been a fairly satisfactory year, (judged comparatively). Common shares will be worth today near $75, basing our estimate on the average progress of the company during the last five years, so it is not difficult to estimate the value of our preferred stock.

"Under these circumstances, I have no intention of transferring my stock, or doing anything except receiving full payment for same with the payment in full of all the back dividends due from the time the company discontinued payment of same."

'PEG ELECTRIC PAYS INTEREST CANADIAN FUNDS

Directors Base Decision on Technical Point—Subsidiary Pays

From Our Own Correspondent

MONTREAL.—Interest due January 1 on $5,000,000 5 per cent refunding mortgage bonds of Winnipeg Electric Co. was paid in Canadian currency, though obligations of a subsidiary, Manitoba Power Co., falling due on the same date were paid in New York funds when so requested.

Edward Anderson, president of both companies, in explaining this action, stated that bonds of Winnipeg Electric Co. were payable in Canadian gold coin and gold was not exportable. He further stated Manitoba Power had earned its bond interest and was in a position to pay.

An important point which has arisen in connection with the payment of Winnipeg Electric's bond interest is that though gold is not exportable, there does not appear to be any reason why a bondholder in the United States, for example, could not ask for interest payments in gold and leave the gold in Canada until such time as it can be exported. Mr. Anderson, in his official statement, does not say that gold cannot be secured but simply that it cannot be exported.

Other Bond Issues

In addition to the bonds on which interest falls due in January, Winnipeg Electric has outstanding $4,380,000 of 5 per cent refunding mortgage stock or bonds interest payable in April and October, and $7,000,000 6 per cent refunding mortgage bonds with interest due the same dates. No announcement regarding payment of interest on these issues has been made as yet; official prospectuses state that interest is payable at the Bank of Montreal in Montreal and New York under the same conditions surrounding the $5,000,000 issue of refunding mortgage bonds.

Manitoba Power Pays

Manitoba Power Co. had interest falling due on January 1 on $12,500,000 of 5½ per cent first mortgage bonds, or $343,750 representing the total of the semi-annual payment. When requested to do so the company will meet these obligations in New York funds.

Winnipeg Electric guarantees all its subsidiaries bonds which at the end of 1930 totalled $23,050,000. Following is a list of bonds guaranteed by the company:

Manitoba Power:	$
5½% 1st mtge. "A"	10,000,000
5½% 1st mtge. "B"	2,500,000
Suburban Rapid Transit Co.	500,000
Wpg., Selkirk and Lake Wpg. Rly. Co.	50,000
Northwestern Power Co.	10,000,000

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Operate Steel's Stores Until Sale is Completed

Final receiving order has been made in Toronto against Steel's Stores Ltd., Toronto. An order was made to carry on the business until the first meeting of creditors.

G. T. Clarkson, the custodian, filed an affidavit stating that a sale was pending and that this sale would probably fall through if the firm did not continue to carry on. The claims of creditors totalled $210,000.

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First Column on Page One

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" New York,	3,678
" Montreal,	4,261
From Rio de Janeiro:	Miles
To Halifax,	4,611
" New York,	4,748
" Montreal,	5,331
From Buenos Aires:	Miles
To Halifax,	5,701
" New York,	5,838
" Montreal,	6,421

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TORONTO, JANUARY 9, 1932

LIFE INSURANCE RESERVES AND COMMON STOCKS

AT THE recent annual meeting of the American Statistical Association, that was held jointly with the American Economic Association, there was an interesting discussion on the purchase of common stocks by life insurance companies. It was argued by one speaker that the American state laws on controlling life companies should be revised to permit them to purchase good common stocks as investments. His argument was that the field for life insurance investments tended to dwindle. Farm mortgages were not meeting the needs of the insurance companies and the railroad bond field was narrowing, he held. To meet the situation, the companies had increased their investments in urban real estate and in other bonds particularly public utilities. Yet urban real estate mortgages were not likely to prove satisfactory in the next decade, because of the prospects of a decline in building.

In the discussion that followed, there was a fair degree of opinion in favor of the purchase of common stocks by life insurance companies and it was felt that present conditions offered an excellent opportunity for careful investment, over a term of years, in equities for long-time investment purposes.

The discussion is very interesting because of the very considerable debate that has taken place as to the investment policy of different companies in Canada. Canadian companies have been permitted to purchase common stocks for many years, and a number of them have taken advantage of the opportunity. Only one company, though, has based its investment programme largely upon common stock purchases, and the very large paper profits enjoyed by this company at the height of this boom, have given place to very considerable paper losses. This and other companies have also suffered some losses that are more than paper losses. Frederick H. Ecker, president of the Metropolitan Life says in January "Nation's Business" common stocks do not "meet the requirements of life insurance." In the same paper T. B. Macaulay president of the Sun Life says: "During these depressed times the Sun Life has not sold and has no intention of selling one single share of its holdings of American stocks either preferred or common. Bad times will not and cannot last forever. Nothing can permanently hold back this continent."

A time of most acute world-wide depression is no more a time to judge the validity of a common stock programme than was the peak of the bull market. It is not only common stock investors that have suffered in this period of security decline. It is well known that a very high percentage of farm mortgages are virtually frozen at the moment although this position is not reflected in the balance sheets of the companies to the same extent as the decline in the market values, known and published every day on the floors of stock exchanges the world over, of common stocks. Recently, the president of one of the largest American companies, that has never purchased common stocks, appeared before a United States senate committee asking for relief for the railroads, on the ground that the security of their bonds had been seriously impaired. Another American life insurance president pointed to the serious decline in the value of bonds of different foreign governments while the status of real estate mortgage bonds generally is also well known and 60 per cent of those outstanding in the United States are known to be in distress. Thus, it cannot safely be argued from the present situation that common stocks are necessarily a more hazardous investment for life insurance companies, when well selected and diversified, than other types of securities. Governments charged with the supervision of life insurance investments recognize that present market prices give no clue as to real values. Following the example of New York and other States, the Canadian Government has permitted Dec. 31, 1930 valuations to be used for certain securities and June 30, 1931 valuations for others in making up 1931 reports. After all the average expectancy of a life policy is well over ten years and investments made for policies that will mature over the term of more than a generation should not be valued at either full market or panic market prices.

Where mistakes have been made in the application of common stock investments to life insurance reserves, they have been most marked in relation to the selection of the stocks and their handling. There seems to be a theory in some insurance circles that investments should be purchased but never sold, but obviously in such a theory there is no place for the exercise of continued good judgment. There are often times when securities get beyond their real value and, while no one would approve a policy of stock market trading for life insurance institutions, there should be no barrier against the application of as much common sense in choosing the time to sell as in choosing the time to buy. The corporate fabric of the country or the world may go on while many individual companies fail. The purchase of securities is only half an investment programme.

Recent experience seems to have shown also that there should be a limitation—and it is best that it be self-imposed—upon the percentage of total assets that may be invested in the common stocks.

There need be little doubt that the Canadian companies that have purchased common stocks for their life insurance reserves will have learned these two lessons and that in the future there will be no large measure of dependency upon common stocks by any one company and that there will be an acceleration in the turn-over of such securities based upon changing conditions in different companies and throughout the monetary fabric at large.

That the common stock has its place in any investment programme, even in the investment of trust funds, is the opinion to which most high financial authorities would subscribe. The depression has taught us many lessons, but we should be careful not to learn any lessons it hasn't taught us and to draw our conclusions from abnormal circumstances.

NO KNIFE YET TO CUT THIS GORDIAN KNOT

AT LAUSANNE, on January 18, representatives of various important nations will meet to discuss reparations and war debts. Solution of some of the most serious of the world's financial problems could be vastly simplified if this conference could arrive at a formula for the solution of the German reparations question. But to expect this conference to deliver a final disposition of the question is more than can be expected in the present confused state of national opinion. The conference will have before it the Wiggin statement that Germany can not pay now and that to expect payment will be further to delay world recovery. Such expert advice can not be ignored. It will probably prevent the conference from being a failure without on the other hand ensuring it of success.

Reparations is back of the war debts problem. At the core of both problems is the question of who is to pay the war debts, owing largely to the United States—whether they are to be paid by Germany or by the United States. Germany has plenty of fixed assets and producing power but lacks working capital and markets. Therefore, Germany can not meet its reparations obligations under present conditions. The United States could easily absorb the loss on all the war debts. Wall Street would be ready to do it. But Washington and the Middle West are not ready. Apart from the curious ignorance on this matter of some groups of the American people one may sympathize with the Hoover viewpoint that war debts cancellation should not be effected merely to help European countries pay their armament bills. Britain can not give up reparations and her share of reparations and war debts because her financial condition requires her to collect enough to pay her own external war debts. France adheres to the policy that she must collect from Germany enough to pay her war debts plus something for restoring the war-torn areas. Other countries interested take about the same attitude. All the parties—not merely the United States—are standing pat on old policies, policies adopted in brighter years of world optimism. Even the Wiggin committee that met at Basle was appointed under the definite provisions of the Young settlement. There is no single nigger in the war debts wood pile.

Thus, reparations and war debts are at deadlock. Deadlocks involving creditor-debtor relationships are always the most difficult to handle. But they have been handled before in the world's history and they must be handled now.

There are several possible avenues of escape. The United States might make the grand gesture and offer to re-open the whole question, writing down war debts according to what her debtors would receive if reparations were based upon Germany's immediate capacity to pay. But in the present mood of Congress this is not to be expected.

European countries might take the initiative, either at Lausanne or after, agreeing upon a revision of reparations. If co-incident with this action there were to be agreements on tariffs in order to re-stimulate European trade such action would represent a great advance. It would leave unsolved the problem of the debts due the United States but if that country refused to follow with similar co-operation a default of war debt payments to the United States by Britain, France and other countries would not be unthinkable.

The expected revenues from reparations and war debts are not worth to any country today what they are costing in trade disequilibrium. Most intelligent people recognize that. The big job now is to translate that idea into statesmanship.

"A DASH OF MARX"

RECENTLY The Financial Post received this letter:

"Owing very possibly to The Post's insistence on a curtailment of the Dominion Civil Service, of which I was a member, it will be necessary for me to cancel my subscription to your paper.

"This, of course, is not by way of retaliation but merely an endeavor to adapt myself to new circumstances.

"If many others, placed in like circumstances are compelled to do likewise it may be that you will have to reduce your staff. Perhaps some of these living in houses which you may own would not then be able to pay the rent, and you too might suffer.

"In any event, even one subscription less hurts you in some degree financially. And if it happens to one, it affects all.

"I would suggest that you brush up a little on your economics, say on the theory of Labor, Wages and Rent. Even a dash or two of Karl Marx might put some zest into your studies. The net result would be I am sure a broader outlook on our social system than The Post has been showing recently."

We sympathize with our subscriber. He is in much the same position as many other unfortunate persons who have lost their positions or had their incomes reduced by the business depression. The man whose income is reduced, whose investments sell down, who is forced to sell his produce at below cost, immediately looks around for some one or some circumstance to blame for his troubles. The nearest by-stander is very apt to be picked upon. An objective viewpoint on world business and finance as a whole would lead to a more careful, and perhaps more philosophical selection of targets.

We find in this letter the time-worn theory that spending money creates prosperity and there is implied the doctrine that it does not make much difference whether the money is current income or borrowed money that must be re-paid in the future, or whether the money is spent effectively or not.

We have had a very large dose of this attempt to create prosperity by governmental spending and it has proved a bitter failure. It has aggravated depression by placing such burdens on individual initiative that more people are thrown out of private work than can possibly be absorbed in public or quasi-public work.

If government spending will make the country prosperous let us by all means do the job on an adequate scale and all go to work for the government on the plan of Soviet Russia where everyone has a job even if it is not worth having. and where financial collapse is even now impending.

If governments in Canada would cut $300,000,000 a year off their billion dollars of annual expenditure there would be released for creative investment and expenditure enough money to provide this subscriber and all other unemployed persons in Canada with useful opportunities for profitable service.

CONSUMER SKEPTICS

OPINION that a Canadian newsprint merger holds definite possibilities of antagonizing American publishers, who buy over 80 per cent of the total output, has been characterized as an extremist view. It is said that the publishers have been assured that the proposed consolidation will maintain an equitable rate schedule, which will meet with the approval of the buyers. Such a policy can be laid down and adhered to closely, but the fact remains that the American consumer is not sold on the good intentions of the Canadian manufacturers and views the present negotiations with considerable misgiving.

This is based upon knowledge of conversations held between Canadian newsprint salesmen and American publishers. With few exceptions, buyers are skeptical of any benefits accruing to them through the proposed merger, which cannot be regarded as other than a combine.

As representative of the views held in the Middle West, the Economist, of Chicago, has the following to say:

"Granted that a super-company emerges from the greatly involved situation, its major difficulty would still remain to be conquered: the antipathy of Canada's newsprint industry's best market—the American newspaper publisher. Just because Canada controls nearly one-third of the total annual production is hardly sufficient to warrant its producers in fixing arbitrary prices. Scandinavian newsprint manufacturers have already driven this point home forcefully. Their product is being offered in New York today under Canadian prices.

"In fact, the obstacle has been aggravated merely from the fact that the announcement of a combine has reacted unfavorably on this country's market, strengthening the suspicion that the pockets of our newspaper publishers are the main objective. A potential monopoly, it is argued, could readily encourage rival sources of newsprint supply, the strengthening of the financial and operating positions of American mills, to a greater demand for newsprint from Scandinavian countries, and to the general encouragement of American research already at work on the problem of creating substitute materials."

American publishers and others interested in newsprint are fully aware of the causes leading up to the present situation. Nor have they forgotten the harsh treatment received in the past at the hands of the manufacturers. There is no feeling that advantage should be taken of the industry's present plight, but there is a widespread opinion that what steps are taken to rehabilitate the business should not be done at the expense of the consumer.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

THOSE SOUTHERN DEBTS

THE British always were clever propagandists and full use is now being made of the default by southern states of bonds held by British holders. A committee representing the bondholders has been fighting for two generations to obtain payment for their issues. They have never been able to arouse any substantial interest in their claim, either in the southern states which defaulted or in the United States generally. As long as these defaults remain unsettled, a blot remains upon public finance in the United States.

Walter Lippman, who now contributes a daily article to the New York Herald-Tribune brings up these debts in replying to those Americans who consider that any adjustment of war debts would be unfair to the United States. He draws the moral that "people who live in glass houses should not throw stones."

The states that were involved in default of their bond issues were Florida, Mississippi, Alabama, Arkansas, Georgia, Louisiana, North Carolina and South Carolina. Various of their bond issues were repudiated on various pretexts, in some cases because the bonds were issued without the necessary authority of the legislature, in other cases because they were imposed upon the states by carpet-bagger politicians who went down from the North to rule the Southern states after the civil war, but whatever the reasons given, the holders of the bonds regard them as obligations of the state that issued them. Mr. Lippman is inclined to feel that those debts that were imposed upon the South by northern politicians ought to be paid off by the Federal government and, of course, it seems only fair that the states that issued bonds for railways, banking or other purposes should now meet their liabiltiies.

It is probable that the holders of these bonds in Great Britain would be willing to accept an arrangement involving a settlement for each bond held, so that the burden of assuming the issues formerly repudiated would probably not be beyond the capacity to pay of any one of the governments involved.

The Southern defaults do not represent the entire record of repudiations of American state debts. Pennsylvania, Indiana, Illinois, Michigan and Maryland all attempted repudiations before the civil war, but each state made terms which were apparently satisfactory to their creditors.

The debts which are still repudiated amount to about $75,000,000 principal and $300,000,000 interest.

We, in Canada, are still able to say that no province in Canada has ever defaulted on interest or principal payments in connection with any bond issue.

RUSSIAN COMPETITION

AN EXPLANATION of one of the primary causes of business depression is being offered with increasing emphasis by Hamilton Fish, Jr., a member of Congress from New York, who was chairman of the committee which two years ago investigated Communist activities in the United States.

Mr. Fish is able to remind his unwilling listeners that more than a year ago he predicted that the Socialist activities of Soviet Russia under the Five-year Plan would deprive the United States of its export wheat market and would cut disastrously into even its domestic markets for oil and lumber. He points out that these things have happened. He included the prediction that Soviet Russia would destroy the cotton market of the United States, and he makes the uncomfortable assertion that this is rapidly coming to pass. Mr. Fish estimates the actual loss of trade by the United States in those four commodities alone at $1,000,000,000 by the conclusion of 1932. And the reason why they have felt first and most severely the effect of Soviet competition is that they are natural products of a great agricultural and mineral-bearing country. As the United States, also, is such a country, Mr. Fish holds that it has more to lose by Soviet business methods than all the other nations of the world put together.

* * *

IN THIS connection, it must be noted that Canada, being also a great agricultural and mineral-bearing country must feel much the same kind of effects as the United States from Communist below-price sales in world markets.

The point which makes Mr. Fish an unwelcome adviser to most of the business men and capitalists of the United States is that they have brought this situation upon themselves by their excessive eagerness to make sales on credit which has rested mainly on loans granted by themselves. Millions of dollars worth of material for developing government farms and factories have been poured into Russia. The cash payments, so far as these have been required as a basis for credit, have come from the returns which Russia has received by dumping wheat, lumber, oil, etc., at any prices which would insure sales, thereby ruining markets for farmers and manufacturers, who must have some profits in order to live.

These direct sales, moreover, have been only a minor fraction of the goods acquired by Russia from European countries on fairly long credit. Germany and France, at least, have been able to grant this credit only by means of the extensive loans which they have made from the investors of capital in the United States.

As the situation is now, Soviet Russia must be given more credits or she will go bankrupt and the credits already allowed her will become uncollectible. But if continued credits are conceded, the Russian competition, destructive to all normal trade for private profit-making, must become more intense.

Mr. Fish predicts that, if further credits are denied Russia, the Five-year Plan will break down, and the entire Soviet programme for world revolution will be a complete failure. Naturally he sees a conflict of interest between those who would sustain Russia in the hope of establishing some value to the credits already granted and those who see in the wrecking of Sovietism, and a world-wide restoration of the principle that labor and capital alike must have profit, the best prospect for an early and general remedy of the existing economic distress.

Liberty or Compulsion World's Choice Today

President Nicholas Murray Butler of Columbia University sent to his friends this statement with his customary Christmas card:

Those social, economic and political institutions which the modern world has built upon a foundation whose cornerstone is Liberty are now on trial and under fire as never before in their history. Since Magna Charta it has been their lot to attack and to win one great contest after another on the battlefields of ideas and of institutions. Today, instead of attacking, they are being attacked.

In every land Liberty and its products and accompaniments are subject to an assault which is often well-reasoned and sincere, and sometimes impatient to the point of violence. The critics and opponents of Liberty propose to substitute for it Compulsion in some one of its many forms. Of these the mildest and least revolutionary is Socialism. The most reactionary, destructive and despotic is Communism. The most efficient while it lasts, which usually cannot be long because of its very personal character, is Dictatorship.

To achieve its declared ends, Liberty must always and everywhere be accompanied by justice and by human-kindliness. It may not be made either the reason or the excuse for treading under foot the less fortunate or the less capable of our fellowmen. The free man socially-minded is the hope of the world. Should Liberty fail, there is nothing but Compulsion to take its place.

New Books

"Canadian Almanac 1932"

The Canadian Almanac for 1932 honors the 85th year of this standard work of Canadian reference. Year by year the subjects covered in the almanac have grown, until the almanac is now a most valuable library volume.

Canadian customs and excise tariff rates have been brought up-to-date. There are the usual astronomical calculations, weather statistics, tables of weights and measures, postal rates, etc.

The Almanac is the only reference book for a directory of legal firms and for a directory of officers of the different governments of the country, etc. In addition, there is a directory of municipalities with names of clerks, directory of post offices and railway stations, a directory of banks, a directory of trust and loan companies, of newspapers, magazines, boards of trade, clubs, educational institutions, etc.

There is a good map of the Dominion in color in the volume.

The Canadian Almanac, 1932, is edited by A. W. Thomas and H. C. Corner and is published by the Copp-Clark Company Limited, Toronto. The price is $3.50.

In the Mail

The Problem of Distribution

Editor, The Financial Post,

Perhaps your readers will be interested enough to comment on the following reflections:

1. There is no technical problem of manufacture or agriculture as such preventing the production of all or more than all the goods needed by mankind.
2. There is technically no transport problem; that is, goods produced can, save in the rarest instances, be taken where they are needed.
3. There are millions of people all over the world ready to consume the goods which the farmer and the manufacturer can produce and thus, since consumption is a condition of further production, to stimulate production.

Production, transport and consumption are three of the factors in the economic cycle. If the facts with regard to the first three are as I have stated them and yet producer, transporter and consumer are inhibited from even approximately the full performance of their functions, is it not reasonable to infer that the responsibility lies in the system which administers and controls the fourth element in economic life, namely credit and its partial symbol, currency? In suggesting this I refer, not to any particular disturbance of the systems such as that occasioned by the Reparation imbroglio, but to the underlying conceptions and the current methods of the system itself.

There is another phase or symptom of this as of every other modern economic crisis which provokes surprise and might, if examined, lead to a similar conclusion—I mean the irrational co-existence of unemployment and poverty in a world whose productive possibilities are at least equal to its needs.

There is only one reasonable ground of poverty, namely insufficiency of goods after everyone has done his share to produce what is needed; and, similarly, only one for unemployment, namely the satisfaction of everyone's needs without the necessity of utilizing all the labor available. Poverty and unemployment are logically as incompatible as famine and superabundance, which they should, indeed, connote.

Poverty was once intelligible. There were not enough goods to meet the needs of manind. Some got a share and some got too little or none at all, and they were rightly called poor. But the only rational cause of poverty—an invincible deficiency of goods—exists no longer.

Unemployment was once unintelligible. Every man's effort was needed to produce a bare sufficiency. It is inevitable today, when the production potential of machines and modern technique is outstripping not only the needs but even, in some directions, the desires of manind.

May I, to obviate misunderstanding, mention that I am neither Communist nor Socialist. Communism and Socialism would not, I believe, find any solution of the problem, they would merely redistribute its burden or, perhaps, do something to equalize its incidence. But the problem itself would remain.

A. T. SAXTON.

Toronto,
Dec. 29, 1931.

Too Much Government

Editor, The Financial Post,

In recent issues of your paper you have contributed some very timely and needful articles upon the urgent need for economy.

What a tremendous saving could be effected if this over-governed country could do away with nine provincial governments and be satisfied with one federal government.

It is about time to have a Dominion-wide plebiscite on the question and scrap that worn out document "The British North America Act" which for years has only served as a source of constant friction and expense.

One government is sufficient for England, Scotland and Wales but we require ten, with nine lieutenant-governors and ten sets of grafters and parasites.

Does anyone, or can anyone, figure the approximate cost of these useless luxuries?

Possibly the unemployed would resent their ranks being increased by nine lieutenant-governors, nine prime-ministers and nine sets of politicians but the taxpayers might appreciate the humor which such a situation suggests.

ALAN J. HART.

Montreal,
Dec. 28, 1931.

Manufactures of Sporting Goods

Hockey sticks to the number of 574,414, valued at $177,689 at the factories, or about 30 cents each, were made in Canada in 1930. The number of tennis racquets produced in the Dominion during the year was 83,245 with a value of $234,503 to the makers. There are 27 establishments in Canada specializing in the manufacture of sporting goods.

The Canadian Dollar

The discount of the Canadian dollar, its causes and the corrective measures necessary to bring about a readjustment are discussed in our January Investment List which presents a well balanced selection of Government, Municipal and Corporation Bonds.

Ve shall be pleased to forward a copy upon request.

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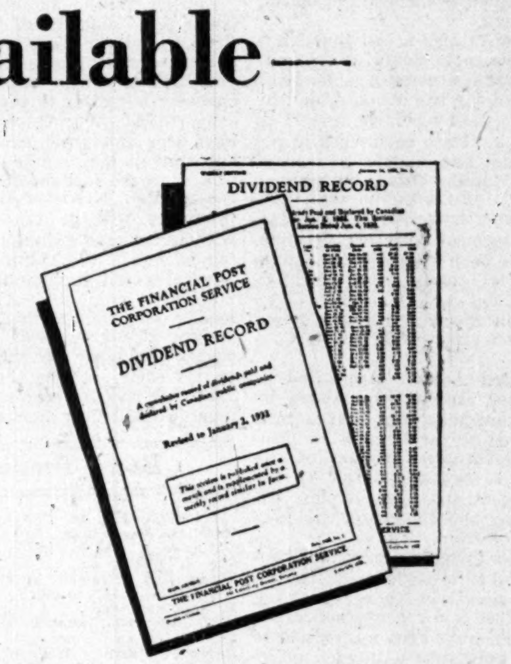
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THE FINANCIAL POST CORPORATION SERVICE

A Cumulative Record of Dividends Paid and Declared by Canadian Companies

Realizing the need for a ready reference on dividend payments, The Financial Post Corporation Service has compiled a Dividend Record which covers listed and unlisted Canadian companies and foreign companies whose securities are listed in Canada. This valuable record, covering over 500 companies, is now available.

The record is published in handy booklet form as illustrated above. All important facts regarding a company's dividends are included, such as:

Rate being paid — Record date — Amount of last payment
How and where payable — Date of payment — Total paid in 1932, 1931, 1930

The complete record comprises two sections. The main section (green) is cumulative and is revised once a month. Throughout the month, weekly sections (white) are issued to supplement the main section. The weekly sections are cumulative also, so that at any time it is necessary to refer only to the latest green and the latest white section.

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The Week in Business

Seasonal Dullness Probably on Wane

Auto Industry Still Marks Time

SEASONAL dullness which usually reaches its peak in Canada within a few weeks of the New Year is once again with us. This year, however, there is an undercurrent of returning activity in many lines of business, a great many industries across the country engaged in tuning up plants and getting things in readiness in case they should find themselves suddenly rounding the corner and starting on the long upward pull to that rather mythical goal "normal business."

If many manufacturers, merchants and business men should suddenly reach that conclusion at the same time, business indices would soon start upwards once more, for as one advertising manager remarked the other day. "If the manufacturers in Western Ontario did get an order they wouldn't be able to fill it, their stocks are so low." Which is another way of saying that there is plenty of business piling up in all parts of Canada, once someone starts the ball rolling.

* * *

TAKE for instance the automobile industry, where production a few weeks ago was at the lowest point that has been reached in Canada for half a decade. A month or two ago the industry both here and in the United States was all keyed up for a flying start on big production schedules for 1932. New models had been held off purposely until January, and it was felt that replacement demand would ensure a return of good business in the early part of 1932. Then suddenly enthusiasm waned and a drastic change in the mysterious plans of Henry Ford, seemed to take all the pep out of other manufacturers' plans, partly because few makers in the big selling groups like to go ahead on a big scale without feeling pretty sure what Ford is going to do, and also because Ford is considered to be a shrewd judge of market conditions and a set-back in his programme was taken as implying an unfavorable opinion of retail sales prospects.

In Canada the situation is further complicated by an unfavorable exchange situation which seems to forecast higher prices for Canadian motor cars if the current discount on the Canadian dollar continues much longer. At any rate the fact remains that motor car production is undoubtedly far behind current "consumption." and there is every reason to believe that within the near future something will occur to set the production ball rolling once again with its concomitant benefits to all parts of the country.

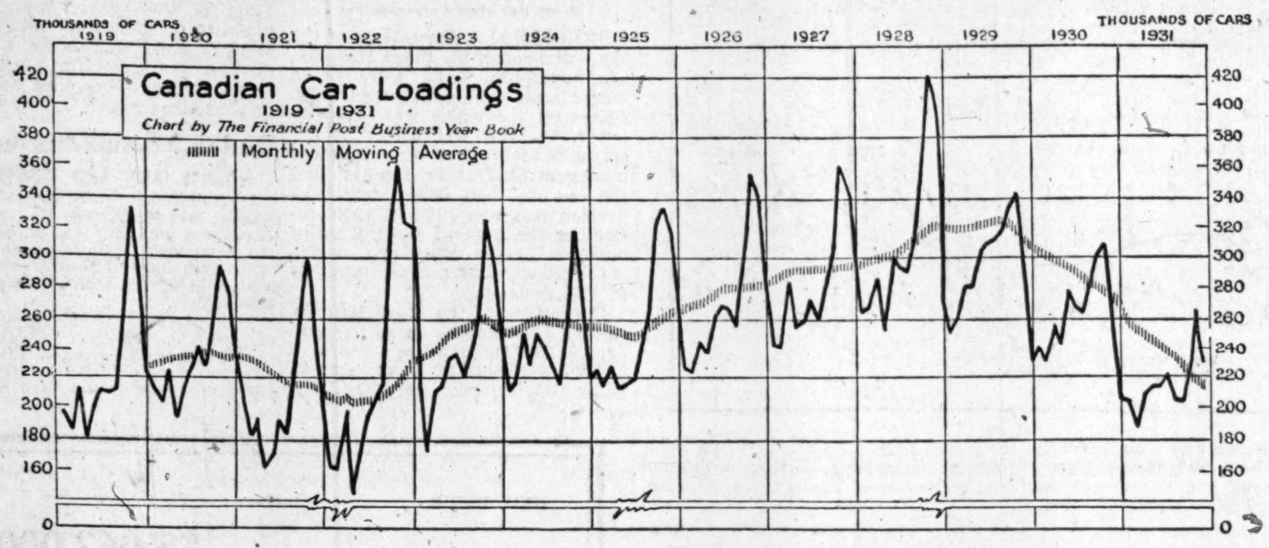
Silver Fox Fur Prices Low at Montreal Auction

Prices for silver fox pelts are running considerably below last year, according to recent advices from Charlottetown, P.E.I., reporting results of the fur auction held recently at Montreal.

Of 17,500 pelts offered, 3,449 fetched an average price of $31.36, this batch forming about 82 per cent of the second grades. These were disposed of to a group of European and United States buyers. "Selected all silver" grade declined 33 per cent, "all silver" grade 17 per cent, blacks 16 per cent, while low grade advanced 4 per cent.

Business Conditions in Canada

Monthly Carloading Figures Show Violent Annual Fluctuations



The monthly course of carloadings of revenue freight in Canada over the past twelve years, is clearly shown in the above chart prepared for The Financial Post Business Year Book. In spite of the inroads of motor trucks it will be seen that the monthly moving average was gradually upwards during the last decade until 1928, although not as at as high a rate as the general curve of business in Canada.

Merchandise Upturn Features Carloadings

Review of 1931 Figures Shows Steady Improvement Toward Year End — Many Group Changes

A slight but continuous improvement in carloadings of merchandise is the most encouraging feature of this important weekly index of Canadian business for 1931.

Total loadings for the 52 weeks ending December 26, were 2,570,520 cars, a decline of 575,727 cars or 22.4 per cent from the corresponding figure of 1930. In the peak year of 1928, carloadings were 1,124,895 cars higher than the 1931 total. Loadings in the eastern division were lower for the year by 373,170 cars a drop of 18 per cent while Western loadings declined 202,557 cars or 19 per cent.

Miscellaneous freight decreased 152,195 cars or 19 per cent and merchandise loadings were lower by 14 per cent. The greatest rates of decrease were in ore, which declined 44 per cent or 42,870 cars, and pulpwood, down 43 per cent, or 55,382 cars. Grain was up 18,659 cars at the middle of July but at the close of the year amounted to 382,992 cars, or 22,040 cars or 54 per cent under last year's total. Livestock was up by 2,373 cars in the western division but down by 8,788 cars in the eastern division, coal decreased by 60,116 cars, lumber by 44,050 cars and coke by 3,318 cars.

The following tables prepared for The Financial Post Business Year Book, 1932, show a record of loadings week by week and also summary tables of the various groups analyzed for the first 51 weeks of the year:

Analysis of 1931 Carloadings by Groups
(First 51 weeks of the year only)

	1931*	% Decrease 1931 from 1930
Eastern Division:		
Grain	114,129	10.27%
Livestock	34,744	19.82
Coal	181,625	17.87
Coke	22,908	1.39
Lumber	66,529	30.02
Pulpwood	66,109	39.27
Pulp and Paper	84,387	15.34
Other forest products	39,062	31.94
Ore	23,678	50.74
Merchandise & L.C.L	566,342	10.85
Miscellaneous	459,905	19.15
Total	1,659,418	18.18%
Western Division:		
Grain	264,871	3.29%
Livestock	44,184	5.67
Coal	80,270	20.72
Coke	3,110	22.09
Lumber	26,675	36.62
Pulpwood	6,944	63.29
Pulp and paper	8,900	30.28
Other forest products	49,488	32.68
Ore	31,057	37.22
Merchandise & L.C.L	192,480	23.12
Miscellaneous	171,859	20.00
Total	879,838	18.68%
All Canada:		
Grain	379,000	5.50%
Livestock	78,928	7.16
Coal	261,895	18.76
Coke	26,018	*4.42
Lumber	93,204	32.04
Pulpwood	73,053	42.83
Pulp and paper	93,287	17.04
Other forest products	85,550	32.36
Ore	54,735	43.89
Merchandise & L.C.L	758,822	14.25
Miscellaneous	631,764	19.39
Total	2,539,256	18.35%

*For first 51 weeks of the year.

Cars of Revenue Freight Loaded

Week Ended:	1931	1930	1929	‡
Jan. 3	36,336	44,430	46,106	18.22
" 10	43,966	51,916	57,051	15.31
" 17	47,115	55,973	58,156	15.83
" 24	47,613	58,319	59,415	14.93
" 31	46,604	59,075	60,886	4.18
Feb. 7	46,978	57,501	64,064	18.30
" 14	48,157	57,172	65,536	15.77
" 21	47,463	57,542	65,544	17.52
" 28	47,719	59,974	69,070	20.43
Mar. 7	48,106	61,164	65,082	21.35
" 14	48,245	60,405	66,453	20.13
" 21	49,661	59,069	66,398	15.93
" 28	49,416	57,529	61,524	14.10
April 4	45,322	58,406	63,461	22.40
" 11	49,714	57,221	64,307	13.12
" 18	48,689	52,124	65,648	6.59
" 25	50,368	56,758	67,959	11.26
May 2	53,089	58,947	67,467	9.94
" 9	49,745	61,026	67,795	18.49
" 16	50,468	62,577	67,860	19.35
" 23	51,173	57,884	64,310	11.59
" 30	46,971	67,789	73,571	30.71
June 6	49,957	66,504	73,425	24.88
" 13	52,173	64,662	75,497	19.31
" 20	51,987	63,799	75,259	17.76
" 27	50,427	63,013	74,181	19.97
July 4	43,545	54,980	63,624	20.80
" 11	47,729	60,988	73,068	21.74
" 18	47,966	61,065	71,271	21.45
" 25	46,082	59,423	70,053	22.45
Aug. 1	45,995	58,090	69,944	20.82
" 8	44,871	61,310	65,445	26.81
" 15	47,598	61,950	69,983	23.17
" 22	47,461	63,909	69,847	25.74
" 29	49,011	72,441	77,843	32.34
Sept. 5	53,171	70,157	70,237	24.21
" 12	50,025	77,356	82,178	35.33
" 19	53,699	72,719	84,105	26.16
" 26	50,325	70,806	85,580	28.92
Oct. 3	56,027	70,832	79,432	20.90
" 10	58,158	71,251	78,069	18.38
" 17	55,859	64,996	82,627	14.06
" 24	61,654	68,280	77,904	9.70
" 31	61,308	66,967	72,488	8.45
Nov. 7	61,171	65,255	71,782	6.26
" 14	55,965	57,965	62,825	3.45
" 21	53,164	60,346	64,578	11.90
" 28	52,316	55,400	61,413	5.57
Dec. 5	49,444	54,537	59,521	9.34
" 12	45,377	50,275	57,883	9.7
" 19	42,636	46,783	54,079	8.8
" 26	31,258	35,055	41,504	10.8
Total	2,570,520	3,146,247	3,524,019	22.40

‡Percentage of decrease 1931 from 1930.

IMPORTS OF COAL GAIN ON OUTPUT

November Figures Show U.S. Supplied 49 p.c. of "Available"

Canadian mines produced 1,263,087 tons of coal in November, a decline of 23 per cent from the average for the month during the past five years of 1,639,441 tons. Output included 712,224 tons of bituminous coal, 503,054 tons of lignite coal, and 47,809 tons of sub-bituminous coal. Nova Scotia produced 363,577 tons, New Brunswick, 13,471 tons, Saskatchewan, 123,652 tons, Alberta, 589,917 tons, and British Columbia, 173,470 tons.

Imports of coal into Canada reached a total of 1,414,082 tons, 18.7 per cent below the 1926-1930 average for November of 1,739,337 tons. Receipts of anthracite totalled 303,956 tons and included 213,750 tons from the United States and 85,614 tons from Great Britain. Imports of bituminous coal included 1,095,040 tons from the United States and 14,526 tons from Great Britain.

A decline of 75.3 per cent was recorded in the exports of Canadian coal in November when external shipments amounted to 21,922 tons as against the November 1926-1930 average of 88,907 tons.

Of the total coal made available for consumption during the month, the U. S. supplied 49.31 per cent, Canada 46.75 per cent, Great Britain 3.77 per cent, and the French East Indies 0.17 per cent.

Washington Issues Latest Estimates on World Crop

Latest figures on world grain crops, compiled by the U. S. Department of Agriculture, Washington, confirm earlier estimates of smaller production of wheat, rye, barley and oats, with the corn production showing an increase.

The 1931 wheat production in 40 foreign countries has been officially estimated at 2,644 million bushels, compared with 2,775 million bushels in the same countries in 1930, when they represented about 73 per cent of the estimated world total crop, exclusive of Russia and China.

Production in 25 European countries is reported at 1,411 million bushels compared with 1,355 million in 1930.

The first official estimate of the Argentine crop which was issued December 4 was 219 million bushels, compared with 236 million bushels in 1930. The Australian crop is forecast at 170 million bushels compared with 213 million bushels a year ago.

CIGARETTES SHOW SLIGHT INCREASE FOR NOVEMBER

Cumulative Figures Still Well Below Level of 1930

From Our Own Correspondent

MONTREAL. — Cigarettes marketed, in Canada during November showed an increase over the preceding month, a fact which is noteworthy since in the two previous years November figures have shown a sharp drop from those of October. Cut and plug tobacco and cigars in November all recorded declines from October, though figures on cut tobacco still remain well above the level of 1930.

The number of cigarettes marketed during November was 355,716,768, an increase of 11,000,000 over the previous month, though a decline of 46,000,000 from November, 1930. Cigarettes marketed up to the end of November last year declined by some 516,000,000 compared with the same period in 1930.

This drop has been offset, to some extent, by the increase in sales of cut tobacco. Cut tobacco entered for consumption in the first eleven months of 1931 totalled 15,091,466 pounds, compared with 14,214,976 pounds in the same period of 1930. Figures for November were 1,451,840 pounds, a decrease of 1,000 pounds from October, but an increase of 227,000 pounds over November of 1930.

Plug tobacco entered for sale during the first eleven months of 1931 amounted to 4,903,992 pounds, compared with 5,440,101 pounds in the same period in the previous year. In the month of November there were 410,253 pounds entered for consumption, a decline of 29,000 pounds from the preceding month, and a drop of 45,000 pounds from November, 1930.

Cigars Decline Heavily

Cigars entered for sale in November at 15,753,873 were nearly 2,000,000 below the figure reported in November of the previous year, while cumulative sales to November 30, 1931, were 140,420,162 compared with 171,364,414 in the same period in the previous year.

Imports of foreign raw leaf tobacco in November were lower by 33,000 pounds, compared with the preceding month, but were higher by 5,000 pounds in comparison with November, 1930.

1931 Building Contracts 55 p.c. of 1929 Peak

The value of construction awards in Canada during 1931, which totalled $315,482,000 was the smallest in any year since 1925.

The peak was established in 1929 when the awards amounted to $576,651,800; 1930 was 20.7 below this figure, and the year just past is 45.3 per cent less, being but a million dollars higher than the 1923 total. In making comparisons with previous years, however, it must be borne in mind that values are affected to no small extent by declines in prices of building materials and costs.

The provinces shared in the 1931 total, according to MacLean Building Reports, Ltd., as follows: Ontario, 39.8 per cent; Quebec, 33.6 per cent; British Columbia, 9.4 per cent; Manitoba, 4.4 per cent; New Brunswick, 3.1 per cent; Saskatchewan, 2.9 per cent; Nova Scotia, 2.2 per cent; and Prince Edward Island, 0.1 per cent.

Engineering contracts led all other groups with 43.7 per cent; while residential and business building practically tied for second place with 25.9 per cent and 25.7 per cent respectively. Industrial building accounted for 4.7 per cent.

Contracts fell off sharply in December, the total of $11,257,300 being the smallest December total recorded in the past decade and, further, was the least for any month since January, 1925.

By groups, the December total was divided as follows: engineering, $4,338,000, or 38.5 per cent; business buildings, $2,628,000 (23.3 per cent); residential, $3,708,900 (33 per cent), and industrial $582,400 (5.2 per cent).

Comparison of Contracts Awarded in Canada by Classifications
(000 omitted)

	1931 Value	1930 Value	% of Dominion	% below 1930
Apartments	$16,202	$15,330	5.1	5.7
Residences	65,482	77,961	20.8	16.0
Churches	7,744	7,265	2.5	.7
Total Residential	81,684	93,291	25.9	12.4
Public Garages	3,420	7,049	1.1	51.5
Hospitals	12,142	14,636	3.8	17.0
Hotels & Clubs	2,881	13,806	.9	79.2
Office Buildings	3,575	26,529	1.1	86.5
Public Buildings	16,803	16,804	5.3	....
Schools	17,852	35,079	5.7	49.1
Stores	9,035	10,006	2.9	9.7
Theatres	1,308	2,356	.4	44.6
Warehouses	6,410	17,569	2.0	63.5
Total Business	81,174	151,103	25.7	46.3
Total Industrial	14,816	31,520	4.7	53.0
Bridges	16,064	11,383	5.1	41.7
Dams & Wharves	3,943	10,281	1.3	61.6
Sew'rs & W'm'ns	25,620	28,680	8.1	10.7
Roads & Streets	41,035	40,490	13.0	1.3
Gen. Engineering	51,143	90,298	16.2	43.4
Tot. Engineering	137,807	181,084	43.7	23.9
Grand Total	315,482	456,999	100.0	30.9

AWARDS BY PROVINCES
(000 omitted)

	Total 1931	Total 1930	Change %	1931 % of total
Ontario	$125,452	$175,459	—28.5	39.8
Quebec	106,125	154,672	—31.4	33.6
Br. Columbia	29,704	32,987	— 9.1	9.4
Alberta	14,334	25,081	—42.8	4.5
Manitoba	13,797	22,010	—37.3	4.4
N. Brunswick	9,756	11,067	—11.8	3.1
Saskatchewan	9,200	27,361	—66.4	2.9
Nova Scotia	6,923	7,238	— 4.3	2.2
P. E. Island	186	1,120	—83.3	.1

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	Weekly Latest 1930	Cumulative Jan. 1 to date 1931	Cumulative Jan. 1 to date 1930
C. P. R. Gross Earn. (Dec. 31)	$ 3,218,000	$ 4,054,000	$ 145,446,000	$ 182,561,000
C. N. R. Gross Earn. (Dec. 21)	$ 3,119,430	$ 3,712,981	$ 174,182,425	$ 218,331,618
Car Loadings (Dec. 26)	31,258	35,055	2,570,520	3,146,247
Common Stock Index (Dec. 24)	60.2	108.8	......	......
Production—	Monthly			
Pig Iron, tons, (Nov.)	14,292	46,360	406,176	709,155
Steel, tons, (Nov.)	28,337	71,740	650,118	955,642
Newsprint, tons (Nov.)	175,643	201,703	2,033,121	2,319,391
Automobiles (Nov.)	1,247	5,407	80,182	148,570
Boots and Shoes, pr. (Oct.)	1,554,144	1,552,392	15,289,386	14,898,392
Flour, bbls. (October)	1,693,925	1,868,575	12,510,606	13,679,945
Mineral Production—				
Gold, oz. (October)	238,400	168,400	2,201,200	1,662,319
Silver, oz. (October)	1,697,000	1,969,000	17,801,000	21,871,695
Nickel, tons (October)	1,548	3,730	31,500	45,641
Copper, tons (October)	11,455	11,840	128,954	129,840
Lead, tons (October)	10,156	13,046	117,277	138,877
Zinc, tons (October)	8,402	12,546	103,475	110,211
Coal, tons (October)	1,204,000	1,630,000	9,597,000	12,184,234
Nat. gas, M. cu. ft. (Oct.)	1,901,000	2,257,000	21,189,000	22,641,913
Petroleum, bbls. (Oct.)	99,900	171,350	1,378,100	1,210,106
Automobile Financing—				
Used Cars (Nov.)	$ 1,153,811	$ 2,221,134	$ 20,049,357	$ 32,025,659
New Cars (Nov.)	$ 976,658	$ 816,948	$ 20,041,063	$ 27,997,753
Construction—				
Building Permits (Nov.)	$ 7,992,815	$ 11,791,478	$ 103,604,484	$ 150,909,230
Contracts (December)	$ 11,257,300	$ 24,542,300	$ 315,482,000	$ 456,999,600
Labor—				
Employment Index (Dec.)	99.1	108.5	....	....
Trade—				
Imports (November)	$ 46,911,012	$ 76,325,063	$ 587,843,781	$ 948,354,844
Exports (November)	$ 57,486,950	$ 73,060,871	$ 552,175,442	$ 819,086,698
Imports of Key Products—				
Rubber, raw, lbs. (Nov.)	2,761,273	4,766,980	51,089,470	61,475,499
Cotton, lbs. (Nov.)	15,451,000	15,786,000	83,373,602	88,140,000
Sugar, raw, lbs. (Nov.)	70,656,900	62,352,200	752,021,400	769,699,400
Petroleum, crude, gal. (Nov.)	93,140,000	74,970,000	955,549,333	942,393,131
Coal, tons (Oct.)	1,446,690	1,930,465	11,030,239	14,789,898
Exports of Key Products—				
Newsprint, tons (Nov.)	171,151	173,149	1,846,408	2,105,516
Automobiles, No. (Nov.)	480	2,663	14,236	41.653
Wheat, bus. (Nov.)	27,452,063	31,217,624	172,508,738	185,530,670
Wheat flour, bbls. (Nov.)	476,487	792,271	5,245,914	9,328,660
Electric Power—Output—				
M. Kilowatt hours (Nov.)	1,387,317	1,515,403	14,920,336	16,261,264
Population—				
Emigration (October)	1,030	2,731	10,862	38,889
Immigration (October)	2,056	3,267	24,712	99,449
Finance—				
Failures, No. (Oct.)	226	216	1,807	1,941
Failures, Liabilities (Oct.)	$ 12,378,396	$ 4,017,101	$ 45,260,019	$ 40,565,515
Bank Debits (Nov.)	$2,841,832,827	$2,973,627,955	$28,948,345,698	$34,479,077,931
Bond Sales (Nov.)	$ 215,025,000	$ 65,149,654	$1,243,213,179	$ 717,081,753
Insurance Sales (Nov.)	$ 38,860,000	$ 46,868,000	$ 442,149,000	$ 518,182,000
Wholesale Prices (1926)=100—				
General Index (November)	70.6	79.8	......	......
Iron & its products (Oct.)	87.3	90.0	....	....
Cotton, raw	40.6	60.8	....	....
Grain	40.0	50.5	......	......

Flour Mills Activity Improved in October

From Our Own Correspondent

MONTREAL.—Operating at 60.5 per cent of capacity and producing 1,693,925 barrels of flour, Canadian flour mills in October recorded the greatest activity shown in the first 10 months of 1931. Mill operations showed an improvement of 4 per cent over September, while production was higher by 178,000 barrels.

Figures for October, 1931, however, were below those of the same month in 1930, when mills operated at 62 per cent of capacity with a production of 1,868,575 barrels.

Total production of Canadian flour mills in the ten months ended October 31, 1931, showed a decline from the same period in the previous year. Production for the 10 months was 12,514,612 barrels, compared with 13,684,943 barrels in the corresponding time of 1930.

Exports of flour in October were 558,459 barrels, compared with 556,565 barrels in the preceding month and 813,691 barrels in October, 1930. Exports in the 10 months of 1931 up to October 31, fell below corresponding months of 1930; cumulative figures for the first 10 months of last year were 4,769,427 barrels, against 6,120,813 barrels in 1930.

TOURIST ACTIVITY SHOWS GAIN IN N.B.

The Premier Confers With Ottawa on Payment of Obligations

From Our Own Correspondent

MONTREAL. — New Brunswick's tourist industry went steadily forward in 1931, and the number of motor tourists from the United States during the year will show an increase of about eight per cent over 1930, with a total number of automobiles entering ports of entry approximating 60,000.

Up to November 30, some 57,873 motor tourist parties had come into New Brunswick from the United States while traffic from Canadian provinces showed a steady and encouraging increase. The growth of the tourist industry in the province is illustrated by the fact that the total number of U. S. cars entering the province five years ago was 22,955.

Sees Further Gains

D. Leo. Dolan, Director of Information and Tourist Travel for New Brunswick, looks forward to further gains in the tourist industry of New Brunswick in 1932. Reviewing the advantages which the province holds for recreation, he stresses the need of advertising. "Today, New Brunswick is at the bottom of the list in advertising expenditure," he says, "and yet I think it can be said with sane logic that any corporation with a product to sell, upon which such a large return is assured, would not hesitate to spend a great deal more money than New Brunswick spends for publicity."

Will Meet Obligations

From a financial standpoint, New Brunswick has had to combat the general condition of world markets. In a review of 1931, Hon. C. D. Richards, Premier of New Brunswick points out that there are rather large commitments falling due in New York within a short time and the government has now under construction measures to meet this indebtedness. Conferences have been held with the Finance Minister and with leading bankers, and Mr. Richards is of the opinion that a satisfactory adjustment of these difficulties will be met.

In April, 1931, the Province sold $5,215,000 of 4½ per cent bonds at 99.438.

West Coast Lumber Orders Exceed Output by 7 p.c.

An increase in export and rail business accounted for a gain of 5 million feet in lumber sales for the week ending December 5, according to 220 mills reporting to the West Coast Lumbermen's Association. Orders totalled 69,524,825 feet at which they were 7 per cent over production.

Shipments aggregated 62,483,936 feet, unfilled orders gaining about 4,000,000 feet.

Textile Industry Brighter

Textile plants at Paris and Galt, Ontario, report satisfactory increase in the volume of output and a generally better feeling in the industry in spite of a drop in values.

PIG IRON OUTPUT UP IN NOVEMBER

24 p.c. Over October—Steel Production is Lower

November output of pig iron was about 24 per cent higher than that of the previous month at 14,292 tons, largely due to the fact that foundry iron production was recommenced, 6,537 tons being turned out. This offset a decline in the tonnage of basic iron from 11,562 tons to 7,755.

During the month, one 300 ton furnace at Sault Ste. Marie, Ont., was blown in with the result that 2 furnaces were in blast on November 30; in addition there is one 550 tons furnace banked at Sydney, N.S. The 2 active furnaces had a capacity of 850 tons a day, or about 20 per cent of the total capacity of all the iron blast furnaces in Canada, and were located as follows: One at Sault Ste. Marie, Ont., and one at Hamilton, Ont.

For the eleven months ending November 30, 1931, the cumulative production of pig iron in Canada amounted to 406,176 tons, as compared with a total of 709,155 tons during the corresponding period of last year. This year's output included 306,157 tons of basic iron, 72,723 tons of foundry iron and 27,296 tons of malleable iron.

Production of steel ingots and direct steel castings in Canada during November amounted to 28,337 tons showing a drop of 8 per cent below the October figure; ingots dropped to 27,285 tons from 29,546 tons and castings to 1,052 tons from 1,380 tons.

For the first eleven months of this year production aggregated 652,118 tons as against 955,642 tons, and 1,297,273 tons during the corresponding periods of 1930 and 1929, respectively. This year's output included 618,011 tons of ingots and 34,107 tons of castings.

Build Flour Mill at Drumheller

A fifty barrel flour mill being built at Drumheller for the handling of local grain is nearing completion.

HUDSON-ESSEX CO. PLAN PLANT HERE

Canadian Company Formed —Plant Opened at Tilbury, Ont.

Further expansion of Canada's automobile manufacturing activities will be effected by the recent announcement that the Hudson-Essex company will commence production immediately at Tilbury, near Windsor, Ont., this being the tenth U. S. motor company to establish a plant here in the past year.

A new Canadian company has been formed, Hudson-Essex Co. of Canada, the officers of which are as follows: A. E. Barit, vice-president of the Hudson Motor Car Co. of Detroit, president; Max F. Wollering and Chester G. Abbott, vice-presidents; A. Hood, secretary-treasurer; William J. McAneeny, president and chairman of the parent concern, chairman of the board; Roy D. Chapin and C. D. Sterling, directors.

The new plans are the outcome of a protracted survey of the field following the introduction of the present Canadian tariff regulations. In order that full advantage may be gained under these, cars must be 50 per cent Canadian content and it is understood that the Canadian-made Hudson and Essex will exceed this by about 10 per cent.

TRADE FAILURES GROW IN OCTOBER

Liabilities Much Swelled By Two Brokerage Assignments

A substantial increase over the previous month in the number of assignments under the bankruptcy and winding-up Acts was experienced during October, failures numbering 226 with liabilities totalling $12,378,396. This large increase was largely due to the assignments of two large brokerage firms, according to the Dominion Bureau of Statistics.

In September there were 165 failures, liabilities amounting to $5,166,575, while in October, a year ago, the number was 216 and the liabilities $4,017,101, so that, even without the two specific cases mentioned, an increase is still evident.

Trading establishments furnished the largest number of failures with 107. This was the same number as in October, 1930, but was 30 more than in September, this year. Manufacturing establishments came second with 45 assignments, of which eight were engaged in making clothing, six in the manufacture of vegetable foods, five in fur and leather goods and four in lumber and its manufactured products.

Of the total for the Dominion Quebec reported 98 failures, Ontario 78, the prairie provinces 28, the maritimes 9, and British Columbia 13.

Livestock Men to Meet

The annual meeting of the Canadian Livestock Co-operative Ltd., will be held in Saskatoon on January 1 and the three succeeding days when delegates from the federated pools in the provinces will attend.

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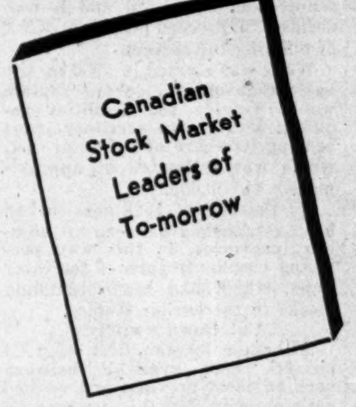

Decidedly worth reading—
Every investor should have a copy

Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post is an investment and not a speculators' paper and it does not attempt to pick stocks for market appreciation. But many common sense principles can be set down and applied to various stocks to determine which have substantial promise and great relative merit.

Without prejudice and without any claim to prophetic vision, The Financial Post recently published a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. These articles are now reprinted in booklet form. The first chapter in the booklet outlines the record of some former leaders and tells why some disappeared and why some remained. It also discusses some essential tests. Further chapters discuss individual stocks. The list is given at the left. This booklet (48 pages and cover) is now available at 25

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DIVIDEND NOTICES

Calgary Power Company
LIMITED

Preferred Dividend Notice

Notice is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Six per cent (6%) Cumulative Redeemable Preferred Stock of the Company, for the quarter ending January 31st, payable February 1st, to shareholders of record at the close of business on January 15th, 1932.

By Order of the Board,
L. G. PROCTOR,
Secretary.

THE DOMINION BANK

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, 27th January, 1932, at twelve o'clock noon.

By Order of the Board.
C. A. BOGERT,
General Manager.
Toronto, 17th December, 1931.

The Teck-Hughes Gold Mines, Ltd.
(No Personal Liability)

Notice is hereby given that the Directors of this Company have declared a dividend of 15c a share, payable on the 1st day of February, 1932, to stockholders of record at the close of business on the 16th day of January, 1932. The books of the Company will be closed for transfer from the close of business on January 16, 1932, and will reopen on February 1, 1932.

KINTZING P. EMMONS,
Treasurer.

Belding Corticelli Limited

DIVIDEND No. 23

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 1st day of February to Shareholders of record at the close of business the 15th day of January, 1932.

By Order of the Board,
D. F. POLLOCK,
Secretary.

FOREIGN POWER SECURITIES CORPORATION Limited

6% Preferred Dividend No. 19

A Dividend of one and one-half per cent (1½%) (being at the rate of 6% per annum) on the 6% Cumulative Participating Preferred Stock of Foreign Power Securities Corporation, Limited, has been declared for the quarter ending January 31st, 1932, payable February 15th, 1932, to shareholders of record at the close of business on January 30th, 1932.

By order of the Board.
L. C. HASKELL,
Secretary.
Montreal, December 18th, 1931.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of one and one-half per cent. (1½%) has been declared on the Preferred Stock for the quarter ending on the 31st day of January, 1932, payable on the 1st day of February to Shareholders of record of the 21st day of January, 1932.

Action on the Dividend on the Common Shares was deferred until the results of the operations for 1931 are known.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal, December 28, 1931.

Canadian Dredge & Dock Co. Limited

PREFERRED DIVIDEND No. 16

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending January 31st, 1932, payable February 1st, 1932, to Shareholders of record at the close of business on January 15th, 1932.

By Order of the Board.
T. C. LUKE,
Secretary.

The Canadian Foreign Investment Corporation
Limited

NOTICE

Notice is hereby given that a Dividend at the rate of 8% per annum has been declared on the 8% Cumulative Preferred Stock of the Company for the Quarter ending December 31st, 1931, to be payable on February 1st, 1932, to holders of shares of the said stock of record on January 15th, 1932.

R. J. R. STOKES,
Secretary-Treasurer.
December 30th, 1931.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

SOUTHERN CANADA POWER COMPANY
LIMITED

Common Dividend No. 27

A DIVIDEND of Twenty-Five Cents (25c) per share, being at the rate of $1.00 per annum, on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED, has been declared for the quarter ending January 31st, 1932, payable February 15th, 1932, to shareholders of record at the close of business on January 30th, 1932.

By order of the Board.
L. C. HASKELL,
Secretary.
Montreal, December 18th, 1931.

Corporate Financing

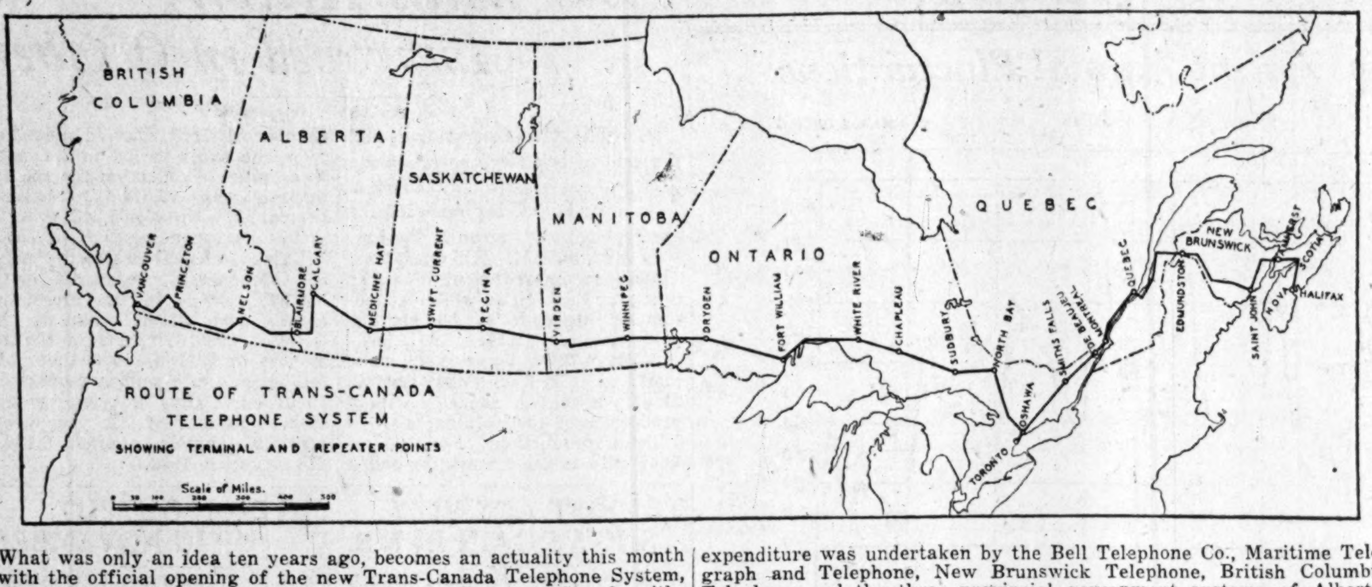
Our distributing facilities are broad enough to handle all types of issues, both large and small, for those desiring capital through the sale of securities. References exchanged.

THE BROOKWORTH CO. Inc.
110 East 42nd St., New York, N.Y.

October Gold Production Figures

The Dominion Bureau of Statistics at Ottawa reports the production of gold in Canada during October at 237,097 ounces, a slight decline from the September total of 240,222 ounces, but an increase of 27.6 per cent over the October, 1930, output of 186,844 ounces.

All-Red Canadian 'Phone Route Now an Actuality



What was only an idea ten years ago, becomes an actuality this month with the official opening of the new Trans-Canada Telephone System, whereby it will be possible to make telephone calls across Canada without the necessity of routing the calls via the United States. The creation of this system involved an outlay of approximately $5,000,000, which expenditure was undertaken by the Bell Telephone Co., Maritime Telegraph and Telephone, New Brunswick Telephone, British Columbia Telephone and the three provincial government systems of Alberta, Saskatchewan and Manitoba.

TRANS-CANADA 'PHONE PLANT READY SOON

Vancouver-Halifax Calls Possible This Month

From Our Own Correspondent

MONTREAL.—Before the end of this month the Trans-Canada Telephone System will be officially in operation, making it possible for subscribers in Halifax to speak with subscribers in Vancouver over an all-Canadian communication service.

Behind the project lies the cooperative effort of the seven larger telephone systems in Canada consisting of the three government-owned systems in Manitoba, Alberta and Saskatchewan; the British Columbia Telephone Co.; the Bell Telephone Co. of Canada; Maritime Telegraph and Telephone Co. and New Brunswick Telephone Co.

Ten Years Work

The idea of an all-Canadian telephone service from the Atlantic to the Pacific was first broached ten years ago at the initial meeting of the Telephone Association of Canada.

An investigation of the feasibility of the project was carried out and engineers reported that difficulties were in the way which practically made it impossible to put the idea into practical operation. The problems of providing lines through the Rockies, around Lake Superior and the sparsely settled districts east of Quebec to the New Brunswick border, were regarded as almost insurmountable obstacles.

Started in 1928

The matter of the Trans-Canada telephone line was held in abeyance until 1927, when the success of the Jubilee broadcast once again drew attention to the possibility of establishing the proposed voice channel.

In the following year the Bell Telephone Co. was requested to proceed with an engineering study of the possibility of linking Halifax with Vancouver over Canadian lines. At the fall meeting of the Telephone Association a favorable report was submitted and it was decided to proceed with the work of building the system.

Work was started in 1930 on the basis that each telephone system would provide the facilities required in its own territory, thus bearing its share of the total cost, which was estimated at approximately $5,000,000.

By the end of 1928 service had been established between all adjacent provinces, in this way providing circuits in each of the three links, which had been stumbling blocks in the earlier studies.

Cut Down Switches

Although by the first of 1929 circuits were available between each adjacent province and worked satisfactorily for this purpose, it was not possible to utilize these circuits for Trans-Canada service. A connection between Halifax and Vancouver under such conditions would require seven switches, and even if the connection were established it would be doubtful if the subscribers could hear each other, due to the type of facilities in use.

The Trans-Canada circuits are so designed that a call from Vancouver to Halifax will only require two switches. Pole lines are now available between Halifax and Vancouver to carry these circuits. To provide pole lines with sufficient strength it was necessary to completely rebuild some 2,000 miles of line and to add poles in other sections.

Speed in Transmission

A call across the complete line will traverse about 4,200 miles of line. It is not possible successfully to transmit voice currents over such a distance, so that it is necessary to strengthen them. In order to do this repeaters are located at 22 points between Halifax and Vancouver. The time taken for the voice currents to travel from Halifax to Vancouver will be about one-thirtieth of a second.

The general administration of the Trans-Canada Telephone System is carried out under a management committee. This committee has an executive representative from each system under the chairmanship of P. A. McFarlane, of the Bell Telephone Co. There are several functional committees and, of course, the general committee has access to the data pertaining to all branches of the telephone operation.

Under this committee a clearing house is operated, which receives reports of Trans-Canada revenue and sees that it is properly proportioned between systems and the necessary settlements carried out. This saves the necessity of each telephone system having to settle with all other systems.

Photo Engravers Dividend is Earned

Earnings of Photo Engravers & Electrotypers Ltd. in the current fiscal year have been sufficient to cover dividends by a satisfactory margin and it is expected that net earnings, in the year which ends February 29, will approximate earnings reported in the previous year. Weakness in the market quotations for the stock in recent weeks is not taken as indicating any danger to dividend payments which have been made at the annual rate of $2 per share, on the 30,000 shares of no par value outstanding, since payment of initial quarterly dividend on March 1, 1928.

Earnings per share amounted to $2.95 in the fiscal year ended in 1931 as compared with $3.19 in 1930 and $3.16 in 1929. Total sales dropped to $794,194 in the last fiscal year as compared with a peak of $905,982 reached in 1930, but net earnings available for dividends dropped only $7,000 to $88,660. The company has followed the practice of not giving out interim figures. Current bid price for the stock is under lowest sale which was made at $16 a share in 1930.

The last quarter of the calendar year is usually the best period in the company's year and it is understood that, on the whole, business in the last months of 1931 was about equal to that of the same period in 1930. Business is reported as "spotty" and buyers of engravings are withholding orders as far as possible. The company's relative position in the industry has been maintained if not improved.

Early in the current fiscal year the company signed a ten-year contract with the Robert Simpson Co. to do that company's art work, engraving and printing. In May, 1931, the company moved its plant and equipment to a location that would facilitate work on the Simpson business. The results of these actions will be reflected in the 1932 balance sheet and income and surplus account. The Simpson contract is understood to be on a cost plus basis which would fully protect Photo Engravers and new equipment purchased to fulfill the contract was also available for other work. Much of the work done for Robert Simpson Co. has been done in previous years and does not constitute new business.

GURD DIVIDENDS WILL BE MATTER OF CIRCUMSTANCE

President Makes Statement Regarding Common Payments

From Our Own Correspondent

MONTREAL. — An intimation that common dividends might be reduced is seen in a letter to shareholders of Charles Gurd and Co. over the signature of Alex McA. Murphy, president of the company, who states that maintenance of the dividend is a matter of circumstance. Chances that the payment may be continued are distinctly favorable, he continues, if the company is fully supported in the same manner as in the past by the present enlarged list of shareholders.

The letter concludes with the assurance that dividends will be paid to whatever extent they are earned, that the reserves are in good shape and will be jealously guarded. The company manufactures carbonated beverages, whose chief market is in Quebec and Ontario.

Earnings for 10 Months

For the first ten months of 1931 earnings of Charles Gurd Co. were sufficient to cover dividends paid out to that time, though no statement has been issued regarding profits for the full year. The common shares are on an annual basis of $2; earnings in 1930 were equal to $2.95 a share.

GYPSUM LIME WILL MARKET NEW MATERIAL

Cellular Building Product to be Produced for First Time

From Our Own Correspondent

MONTREAL.—Cellular building materials will be produced and made available in Canada for the first time by Gypsum, Lime and Alabastine (Canada), according to R. E. Haire, president of the company. This development follows many tests and special Canadian machinery is to be used for the process of mixing in the heavy foaming compound which gives the cellular structure to the materials.

Cell concrete, cell lime and cell gypsum are the materials mentioned, none of which have been commercially available in Canada until now. They will be adaptable to practically any type of construction and cell concrete, especially, it is stated, will find a wide field for service. This material, which can be varied in weight from 14 pounds to 140 pounds per cubic foot containing between 100,000,000 and 200,000,000 air cells, has high insulating value against heat, cold, sound and fire, and for skyscraper construction its variable but predetermined weight adapts it for certain types of wall construction, floor and roof fills where lightness must be considered as well as essential qualities.

Affect Major Plants

Plants of Gypsum, Lime and Alabastine in Vancouver, Calgary, Winnipeg, Caledonia, Toronto, Montreal and the Maritime Provinces are to be affected by the development. For cell gypsum and cell lime, the company will use products of its own mines and arrangements have been made with the Canada Cement Co., Ltd., for the cement required for cell concrete. Special machinery can be readily taken to the construction job for either casting or pouring the material into forms.

Toronto 'Change Member

R. B. DUGGAN

Partner of Duncanson, White & Co., who was this week elected a member of the Toronto Stock Exchange. He has represented his firm on the floor of the exchange since 1927 and is a director of Pittsburgh Steel Products Co., of Pittsburgh, Pa.

BELL TELEPHONE OUTLAY FOR 1932 AT $15,000,000

Expenditures This Year Mostly on Replacement Work

From Our Own Correspondent

MONTREAL. — Gross additions to telephone plant to the extent of $15,500,000 are planned for 1932, according to an announcement of President C. F. Sise, of the Bell Telephone Co. Mr. Sise makes it clear that, while a good proportion of this amount will cover replacement of existing plant, the construction programme this year will provide for anticipated service growth of both local and long distance equipment in many parts of Ontario and Quebec.

Perhaps the outstanding feature of Bell plans for 1932 will be the continued conversion in Toronto and Montreal of present manual equipment to dial operation. Such conversion involves additions to exchange buildings, installation of switching mechanism, outside plant construction and conversion of subscribers' telephones. Some present manual exchanges will pass out of the telephone picture. There will likely be 20,000 more dial telephones in Toronto by the end of 1932 than at present.

Programme Below Average

The Bell Company's gross plant additions for the past five years have averaged over $23,000,000 annually, and have served to put the telephone property on a high standard of efficiency. While the programme for 1932 involves gross additions of some seven millions less than the average of recent years, nevertheless they constitute construction and extension work that would have been considered large only a few years ago.

DAIRY CORP. DROPS CURRENT DIVIDEND ON PREF. STOCK

Earnings Better Than 1930 —Clearing Off Capital Commitments

Dairy Corp. of Canada did not pay the quarterly dividend normally payable on January 1 on the company's 6 per cent preferred stock although the current earnings were sufficient for the purpose. The reason for delay is that $200,000 of the company's bond issue has not been taken up as yet and until the bond market improves it is believed that it is better for the company to defer payments on capital account until commitments made two years ago, when some of the present subsidiaries which were bought have been paid.

Make No More Commitments

The Financial Post is informed that all commitments to date have been met and that there is every prospect that the company will not have a single capital commitment of this kind to meet at the end of 1932. No further capital commitments are intended by the company and it is hoped to reduce banking indebtedness as well in 1932. Actual profits of subsidiary companies in 1931 were $50,000 better than in 1930 after depreciation, operating expenses and bond interest.

Montreal Dairy Does Well

Montreal Dairy Co., which two or three years ago was losing money, in 1931 earned interest on bonds of $1,500,000, depreciation write-off of $60,000, maintenance of $40,000, preferred dividends of $56,000 and common stock dividends of $55,000.

Chain Stores Cut Prices

City Dairy, Ltd., in spite of the serious price war between chain stores and milk companies in Winnipeg, eared its bond interest, depreciation, preferred dividends and about $20,000 on common stock. Chain stores are selling milk at 7 cents a quart against 10 cents as wagon price.

There was a bad year in Saskatchewan but an actual loss was shown only by one small company, Prairie Creameries of Regina, which will be down about $10,000.

Canada Dairies, Toronto, in its first year under Dairy Corp., earned bond interest, preferred dividends and a few thousand dollars more.

There is, of course, the possibility that price wars will develop in Toronto or other sections of Canada in 1932. Prices to farmers have dropped because of pressure of supplies and price cutting by farmers themselves outside of the association groups. This will permit companies to meet lower rates to consumers to a considerable extent.

Strachan K. Bongard Elected to Exchanges

From Our Own Correspondent

MONTREAL.—Strachan K. Bongard has been elected a member of the Montreal Stock Exchange and the Montreal Curb Market. Mr. Bongard is a partner in the firm of Bongard & Co., of Toronto, with branches or connections in Montreal, Winnipeg, London and New York City.

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STOCKS and BONDS
INSURANCE—FIRE, HAIL, CASUALTY, etc.
MORTGAGE INVESTMENTS

Starr Mfg. Skate Sales Up for 1931

From Our Own Correspondent

MONTREAL.—Operations of the skate division of the Starr Mfg. Co., of Dartmouth, N.S., were on a larger scale in 1931 than in 1930. Prices on the whole were slightly lower, but this was offset by decrease in the price of materials. The management further reports that the nut and bolt department production was less than in 1930, reflecting the general slowing up of business in the Maritimes, which is the principal market for products of this division.

Operations of the Starr Mfg Co. for the nine months ended September 30, 1931, resulted in a profit of $14.495 available for bond interest. With October and November, the peak months in the sale of skates, it is possible that the profits for the year, estimated by the receivers at $45,200, will be attained. It is expected that the interest on the first mortgage bonds will be earned twice over.

At a meeting of the bondholders early in the year, approval was given to a resolution waiving payment of bond interest for a period of two years, or for such other period as may be deemed advisable by the management.

Dodge Manufacturing Can Buy Up Preferred

MONTREAL. — Shareholders of Dodge Manufacturing Co. met on January 4 and approved a change in the company's by-laws which would enable purchase of the "A" shares at a price below the redemption price of $35 a share.

The company has this power when dividends on the class "A" preferred shares are not in arrears. Dividends, however, were deferred in May, 1931, and power was sought to make such purchases even though dividends are in arrears.

The company did not seek permission to call for any part of its shares at a price under the redemption figure of $35, but merely to purchase the "A" stock in the open market or from willing sellers at the best price. There are 18,000 shares of class "A" preferred stock outstanding on which dividends at the annual rate of $2 were paid until last May.

Canadian Western Lumber
Statement of Lumber Manufactured, Sales and Price Realized

October:	1930 Feet	1931 Feet	Decr. Feet
Lumber manftd. ..	9,338,533	Nil	9,338,533
Lumber sold	9,329,263	998,500	8,330,763
Price realiz.	$156,827	$11,982	$144,345
Aggre. mfd.*	89,552,532	70,842,404	18,710,128
Aggre. sold*	90,241,560	74,620,456	15,621,104
Price realized* .	$1,757,903	$1,064,867	$693,036

Note.—Owing to a strike in the company's lumber mills during the entire month of October, no lumber was manufactured and deliveries of lumber were greatly curtailed. The strike has now been settled and the mills restarted 1st December.

*From Jan. 1 to end of October.

NEW ISSUE

$5,062,000
Province of New Brunswick
TWENTY-YEAR 5½% SINKING FUND DEBENTURES
NON-CALLABLE

Dated January 1, 1932 Due January 1, 1952

Principal and half-yearly interest payable in lawful money of Canada in Halifax, Saint John, Fredericton, Montreal, Toronto, Winnipeg and Vancouver at the option of the holder. Coupon debentures in the denominations of $1,000 and $500 with provision for registration as to principal.

Legal Opinion of Messrs. Long & Daly

These debentures are a direct and primary obligation of the Province of New Brunswick and are a charge on the Consolidated Revenue Fund. More than 60% of this issue is for refunding purposes, the remainder being for roads and the Provincial hospital.

PRICE: 97 and accrued interest

To Yield over 5.75%

Descriptive circular available upon request

We offer these debentures if, as and when issued and received by us and subject to the approval of counsel. It is expected that interim debentures will be available for delivery not later than January 11, 1932.

Bank of Montreal — Dominion Securities Corporation, Ltd.
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Fry, Mills, Spence & Co., Ltd. — Bell, Gouinlock & Co., Ltd.
W. C. Pitfield & Co. — R. A. Daly & Co., Ltd.
Eastern Securities Company, Ltd. — T. M. Bell & Co., Ltd.

A Detailed Analysis of

Canadian National Railway Company

The Financial Post Corporation Service has prepared an analysis of the Canadian National Railway Company, giving a detailed review of this important enterprise.

The analysis is in booklet form, 20 pages, and brings together in a convenient and readable manner the numerous facts with regard to history, operations and capitalization of the company. Investors and investment institutions will find this analysis invaluable as a source of investment information on this company.

Features of the analysis include—

Complete and comprehensive information on capitalization and earnings.

Details of the company's history.

A schedule of the companies comprising the Canadian National Railway System, with the capital stock of each, the amount held by the System and the amount held by the public.

The System's investments in affiliated companies.

A complete tabular list of the 83 various issues comprising the total unmatured funded debt held by the public, with details of each issue, guarantee, interest rate, date of issue, maturity date, when and where interest is payable, amount outstanding, listings, and the trustee.

Send for this complete analysis. Single copy rate $1; each additional copy 10 cents.

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Please send me postpaid .... copies of the analysis of Canadian National Railway Company. I enclose cheque for $............ at the rate of $1 for the first copy and 10 cents for each additional copy.

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Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Stock Exchanges Forget Duty to Provide Market

Each Stock Pegged is a Refusal of Responsibility — New Investor Should Not Buy Unlisted Stocks — Broker as Agent

Just now when the leading Canadian stock exchanges are painfully but slowly finding their way back toward 100 per cent fulfilment of the great function for which they were created, that is, to provide a market for the common and preferred stocks of companies which have secured listing privileges upon them, it is important for the new investor to establish firmly in his mind the need and significance of having stocks listed on such exchanges. He will have stocks offered him at the door of his home and by mail possibly hundreds of times in the course of his life and the arguments used will often appeal to him as cogent, but those stocks which are sold to him at the expenditure of so much personality and effort will probably need just as much personality, effort and organization to resell. He has bought something that is very easy to buy but very difficult to sell in all probability.

Brokers Are Agents

This is just where stock exchanges like the Montreal Stock Exchange, the Toronto Stock Exchange, Montreal Curb Exchange, Standard Stock & Mining Exchange and other Western stock exchanges are supposed to come in. They provide a market-place where buyer and seller can meet and the brokers who are members of such stock exchanges are agents who for a small commission will buy or sell at whatever prices can be obtained on the day when the sale or purchase is made.

The broker is governed by a code of ethics carefully drawn up; he must observe all the rules set down for the guidance of broker members; he cannot, for instance, because he has orders both to buy and sell a certain stock, just make cross entries in his books and inform his clients that the transaction is completed. He must buy and sell on the stock exchange of which he is a member so that the transactions will have their full force in determining the market and also to assure that the fair price made by a multiplicity of transactions will be given both buyer and seller.

Ware Bucketeers

The law frowns severely on bucketeers, that is, alleged brokers who take buying and selling orders but do not complete the transactions, simply settling with their clients according to whether the market goes up or down and selecting a price in the range for the day which is most favorable to the bucketeer. The broker gains when his client gains as it means more business but the bucketeer gains when his client loses. The cards are stacked against the client from the beginning although in a boom time such as preceded the stock market crash of October, 1929, bucketeers are wiped out by the score if their clients take their profits.

Listing Essential

The new investor should therefore see to it that any common or preferred stock he buys should be listed on a recognized stock exchange with a high reputation for probity and which has an active committee which sees to it that any members diverging from the straight and narrow path of strict honesty shall be disciplined or even expelled if they are not amenable to discipline. The price of a stock is made by the net result of transactions, including those of speculators who buy or sell with the object of bringing up or down the price. Manipulation is always possible to a certain degree even on the best exchanges but it is controlled by the fact that on a free exchange buyers and sellers alike know that there are active minds on the other side of the transaction, ready to take advantage by selling of a price that goes too high or buying if the price is depressed too low by selling.

"Pegged" Prices Bad

The price of a stock is determined in much the same way as the price of wheat, cotton, sugar, cattle, rubber and copper are decided in other markets. The law of supply and demand works inexorably even though speculators for the rise or for the fall have at all times an immediate temporary effect because they are buying or selling according to what their idea is of the future demand or supply of wheat, cattle, or stocks. Suppose that in the United States and Canada the edict went forth that not a bushel of the great surplus of wheat would be sold outside of this continent at below 70 cents a bushel. With surpluses also in The Argentine and Australia and elsewhere, the buyers would simply stop buying from North America, and the price of 70 or 71 or even 72 would mean nothing because it would be an arbitrary price at which effective business could not be done. It would help competitors to sell at under such prices. If there were a world dearth of wheat then such a minimum could be made good, but then it would not be needed.

"Pegging" Cannot Last Long

Just as unsound is the present policy of the Montreal Stock Exchange and to a very much smaller extent of the Toronto Stock Exchange and the Montreal Curb Exchange. A number of important stocks have minimum prices set below which no broker is allowed to do business. That not only withdraws from clients the privilege of a market for securities which they could sell at some price whenever they needed money or felt a loss of confidence in their holdings but it negatives the whole reason for the existence of a stock exchange so far as the stocks in question are concerned.

It stands to reason that such a policy cannot last long, and the longer it does the greater is the amount of delayed liquidation which has to be taken up by the market when free trading is at last permitted.

What "Listing" Means

The stocks exchanges mentioned have definite rules as well as to the stocks which can be listed. A company is obliged to answer a number of searching questions as to the distribution of the stock and as to its own financial position before listing is permitted on the regular sections of these exchanges. An annual financial statement is required on regular sections of Montreal and Toronto exchanges and the time has come when quarterly statements should be exacted. That is done on the New York Stock Exchange and if the Canadian stock exchanges follow suit they will deserve and get much more consideration and confidence from the investing public.

It is important for new investors when reading the daily reports of stock exchange transactions to distinguish between regularly listed stocks and unlisted stocks. On the Toronto Stock Exchange, for instance, there is a regular listed section and a curb section. The requirements for regular listing are much more stringent than for curb listing and to that extent greater confidence is given such companies. The curb, however, has developed to the point where requirements are approaching in strictness those of the regular section, and the curb is regarded as a training ground of stocks for the regular section.

On the Standard Stock and Mining Exchange unlisted stocks cannot be yet given the same confidence that is given to stocks on the listed section. Some observers, keen for the public being protected in every possible way, claim that unlisted sales and quotations should be on a separate exchange so that the uninstructed investor would not take it for granted that the unlisted stocks traded in and quoted were sold on the same basis as regularly listed stocks.

Investor Must Decide

It must, of course, be added that listing does not guarantee in any way, shape or form that a company will continue to be successful or that dividends can be maintained. Listing should indicate, however, that a stock has been pretty well distributed among the general public, that the company which lists the security is in a real business and making an honest effort, and that it is giving periodically all information vital to shareholders. The burden of deciding whether the stock is safe, attractive, uncertain or distinctly dangerous falls on the investor. But, to conclude, he must have a market-place for his stock and he should not buy stock which is not listed or which will not be listed within a short time. And, moreover, just at present he should not buy stocks which are "pegged," that is, which have minimum prices below which trading is not permitted.

M. & P. Stores

Will you tell me the present state of the M. & P. Stores 7 per cent preferred stock?

In spite of the adverse business conditions encountered in the Border Cities during 1931, the M. & P. Stores have been able both to earn and to pay dividends on the seven per cent preferred stock. Dividend cheques on the last payment have been sent.

The company did have a total of 55 stores, but has reduced them to 52, and has inaugurated all the economies which it could in order to meet present conditions. We understand that after paying preferred dividends, earnings of 1931 are not greatly in excess of these requirements. Earnings, however, are a little ahead of 1930 and this is regarded as encouraging.

Hold or Increase

I hold the following stocks and would appreciate your opinion as to the advisability of holding them or increasing my holdings:

Canadian Canners, second pref.
International Petroleum
International Nickel
Imperial Oil.

I am a wage earner and a subscriber to The Financial Post.

Canadian Canners operates as the leading and strongest unit in an industry which in the past year has been subject to price cutting and over competition in a very marked degree. Undoubtedly on some of the major lines this must have cut profits materially, but the company itself is so strong as a result of profits made in previous years that it has some edge over most of its competitors. The Financial Post cannot say whether at 68 cents the dividend on the second preferred represents the last cut or not. That will depend on the course of business. The financial strength of the company and its history in the past, however, indicate that it has a real prospect of surviving in a large way the difficulties which may be ahead.

As for increasing your holdings, we would not advise the increase of holdings of any company whose securities are pegged on the market. A free market is an essential feature when one is buying stock.

International Petroleum earnings are consolidated with those of Imperial Oil and so from year to year there is no opportunity of comparing what has been received by that company. Production is somewhat down in 1931 as compared with the previous year because the company has curtailed in line with the world programme of other companies. The world over production of crude oil naturally has a great effect on the earnings of the company, but this is one of the most strongly sponsored companies in the world and so far has given an excellent account of itself. Its situation politically will be improved whenever the affairs of Colombia and Peru get on a stable basis again which will probably depend on improving prosperity the world over.

International Nickel in its last quarterly statement showed one cent earned on each share of common stock. The company has completed its modernization programme at a tremendous expense, however, and in 1932 anticipates greater economies than ever before. Increasing uses are being found for nickel and various alloys with copper steel, chromium and molybdemite are finding new outlets into industries all the time. In the end this will have some effect on the earnings of the company. Those earnings will have the best chance for increase when the present prostrate condition of the copper industry is over. The copper producers have agreed to produce only 26½ per cent of potential until the present great world surpluses of copper are used up. That naturally will have a reaction upon the affairs of the company.

Imperial Oil is the leading Canadian oil company. It is in the business all the way from exploring and drilling for oil to selling it at the service stations and to the ultimate consumer. It pays a dividend of 50 cents a share and 60 per cent of this comes from the $1 dividend paid by International Petroleum on the large holdings of Imperial Oil. The company has earned its dividend in 1931, and it is considered that future disbursements will depend to a growing degree on its interests outside of Canada. It has so far survived revolutionary conditions in Peru and the various difficulties and dangers of Colombia. It is well managed and over the long view it should pay to retain holdings whatever the temporary adjustments may be in the interval. Last year has been the most difficult one of all and the dividend has been earned.

Automatic Sales

I have been recommended to buy some shares in Automatic Sales Co. Can you tell me if this company is in sound shape and if the stock can be regarded as a safe investment?

Automatic Sales Co., as far as we know, has not published a financial statement since its inception early in 1930 so we are not in a position to comment on its fiscal position. Dividends on the "A" shares were suspended in November, 1930, which would indicate that earnings have declined. As you know, the company is engaged in distributing automatic musical instruments, candy-vending equipment and other forms of merchandising machines. We are informed that there are now 730 of these machines in operation. We know of no market for the shares, however.

B.C. Telephone

Can you give me some information regarding B. C. Telephone Co.? What company controls it and has a statement for earnings been published recently?

British Columbia Telephone Co. has been controlled since 1927 by the National Telephone and Telegraph Corp., which in turn is controlled by Associated Telephone and Telegraph Co. Telephone companies, as a whole, have been affected by business conditions, though no information has been published by B. C. Telephone Co. regarding its profits in 1931, as yet. Since the issuance of the six per cent preferred stock in 1927, dividends in each year have been earned more than twice over, and the fact that there has been no reduction in dividends paid on the ordinary stock would seem to indicate that earnings last year were relatively satisfactory.

Canadian Car

Would you advise me to buy the common shares of Canadian Car and Foundry Co.? I am seeking an investment which may show me a quick appreciation.

The immediate outlook for railroad equipment manufacturers is not very encouraging. Declining revenue has necessitated drastic economies on the part of railway companies, and it is likely they will restrict their purchases of new rolling stock to a minimum until conditions improve. The marked reduction in Canadian Car and Foundry Co.'s earnings in the year ended Sept. 30, 1931, reflected this situation. Profits on the common stock were equal to 65 cents a share, which compares with a present dividend rate of $1 a share. The company occupies a strong financial position.

Canadian Theatre

Have you any news on the bonds of Canadian Theatre Co.? Is the company doing well and what are the prospects? Is there any market for the bonds?

We understand that though business of the Canadian Theatre Co., operating the Princess Theatre in Montreal, has fallen off, earnings so far this year have been sufficient to cover interest charges on the bonds while sinking fund requirements have been met. Those in touch with the company are not particularly hopeful of any improvement in the near future. Quotations on the 6½ per cent bonds are difficult to secure; we are informed that some were offered at 70 recently.

Press of Canada Asks For Efficient Government

Too Many Legislators

Yorkton Enterprise.—This is a time for economy and the elimination of all unnecessary overhead expense. Our governments are, and rightly so, economizing in every direction. The matter of reducing the cost of government is one which cannot be summarily dealt with but it is one in which great economies can and should be effected without delay. Saskatchewan could get along very well with a legislature one-third the size of the present body. The saving thus effected would be much greater than the content in the past with a smaller number of constituencies many unnecessary expenditures might have been avoided. Undoubtedly we would have had fewer judicial districts, fewer court houses and fewer district court judges. Each member is the central figure in a constituency organization that naturally endeavors to secure institutions and expenditures for its particular constituency. The fewer of these there are the greater the saving of public money.

Public Must Share Blame

Ridgetown (Ont.) Dominion.—We mentioned some weeks ago the admittedly socialistic tendency of much of the legislation of recent years. Developments have been decidedly along this line. Such things as the public ownership of utilities such as hydro, water and gas works, street railway and even of transcontinental railway systems such as the C. N. R.; the old age pension systems, the building of great permanent highway systems; all of these and many others, come under the general heading of socialization, and are in most cases the direct result of the demand for such things on the part of the public.

Since our form of government is, theoretically at least, one of the people, by the people, and for the people, it is hard to see what the government can do about it unless the governed moderate their demands, a thing which they show no signs of doing, except insofar as it affects the other fellow. As an example: We are all agreed that the government is spending too much money. We are also agreed that stringent economy is absolutely necessary, but we are all equally agreed that No. 21 Highway from Morpeth to Thamesville should be paved.

Must Do Without

Halifax Chronicle.—Mr. Bennett espoused a turnover tax two or three years back, and it is not unlikely that this is what the country will have to make up its mind to expect. Only one thing else remains for him, namely to cut spendings to match revenues, and learn that what he can't pay for, he must do without.

Costs Must Be Cut

Sarnia Observer.—It is a great disappointment that governments have not made greater efforts to reduce their costs while the paying capacity of the population was more potential. Everyone knows that the productive resources of the country have dwindled startingly, yet under this fundamental disadvantage there are to be higher taxes. It is certain that there must come an end to that kind of business sooner or later. Government leaders seem slow to appreciate the dilemma, but it is very real and must be dealt with. It is a simple answer to say that government costs cannot be brought down, but they will be lowered all right when the necessity is sufficiently urgent and that period does not appear to be so far off.

Our Orgy of Borrowing

Ottawa Journal.—The past ten years saw this country in a regular orgy of borrowing. Dominion Government and railways, provinces and municipalities, industrialists and merchants—all rushed to New York for more and more money. The thing pyramided and pyramided until it reached hundreds of millions; and so long as money was cheap and easy to get we based our expenditure, not upon essential needs, but upon our borrowing capacity. Now the chickens are homing to roost. We are beginning to learn that in finance, as in most other things, every action has a reaction, and that Uncle Sam, a good lender, is likewise a mighty good collector.

Many Government Ventures

Sherbrooke Record.—Business men for two years have been retrenching, practising relentless economy, studying greater efficiency, with a consequent curtailment of overhead expenses. Good business is down to bed-rock and continues to pay its way.

Extravagant habits and foolish notions came into effect after the restless war period, and many people cheered the investment of public moneys in new undertakings of a Socialistic character, forgetting that every operation costs twice as much under public or political direction.

The rehabilitation of government expenditures must come when the leading men of Canada help to arouse the people on the adoption of the cure, which is to hand over to business that which belongs to men of business for economic conduct.

Canada's Weighty Problem

Alliston Herald.—Many times has this paper taken its lead for comment from the Financial Post and seldom do we disagree with the Post, but just now the Post's campaign for drastic cuts in government expenditure does not appeal. It is true large sums are being spent in unemployment relief but the country is getting an asset that will be of immense monetary value when the stress of the time disappears. In the meantime men that would be public charges under other circumstances are working under strict supervision and a splendid morale obtains among them where otherwise it is probable utter dejection and the curse of idleness would be bearing them down.

Rather would we like to see some paper of far reaching influence tackle the C. N. R. problem which is the one and only dead weight clinging to the Canadian government structure. The Wabash railway in the United States went into the hands of a receiver last week and it seems to us the C. N. R. should be made to shift for itself.

Cutting Government Cost

North Bay Nugget.—Interviewed at Vancouver the Hon. George S. Henry has agreed that the cost of government in this country is too high and he very wisely adds the rider that it is far easier to talk about reducing it than to actually do the job. That is precisely the trouble with any form of government; it is far easier to add on costs than to take them off. The U. F. O. at its meeting recently in Toronto, also went into that question and passed a resolution urging the need of cost reduction where government is concerned. The U. F. O. also decided that the way to cure the financial ills of the country is to conscript wealth. That is a plan which has been favored by drawing room orators and mild "red" as well as the more violent types for many years. It is, however, not practical for seizing wealth means eradicating it in most cases. The banks are targets for this sort of thing but the most of the money in the banks belongs to the customers not the institution and anyway wealth is a generic term and many wealthy men have less ready money than some of the meanest of their employees. Tinkering with the finances of the nation is not likely to cure any monetary ills but on the other hand something to reduce the rather ridiculous cost of government is quite another matter and if it could be managed to the extent of reducing the direct taxation then something would be accomplished for the good of the people. The difficulty, as Premier Henry points out, is to see the method by which it is to be accomplished and the difficulties are indeed appalling.

Something to Think About

Brantford Expositor. — Taxation, both for strictly municipal purposes and for educational purposes, has increased during this period at a faster rate than have assessed values, which are the economic base of taxation. The people of Canada certainly have something to think about in these figures. Public opinion needs to become aroused to such an extent that governments, federal, provincial and municipal, will be compelled to heed the demand for retrenchment in expenditures.

Suggests Smaller Legislatures

Barrie Examiner.—As far as the representative in provincial legislatures and in the Federal houses are concerned, a twenty-five per cent reduction would in no way detract from the efficiency of the representation and would mean a big saving in expense. If the reduction were done on a broad-minded, non-partisan basis, no part of the country need suffer in its representation.

Should Copy Business

Saturday Night, Toronto.—Even the governments themselves would surely not claim that they have made any serious attempts to set their houses in order as business corporations have been compelled to. The chief problem for every business head these days is "How to reduce operating costs?" The extent to which he is able to achieve this without destroying efficiency is the measure of his ability to survive. Astonishing savings have been effected, the possibility of which had scarcely been suspected. Is there any reason why the governments should be less successful, if fired with the same incentive?

Reduce Outgo First

The Toronto Globe.—Whatever way it is figured, Canada's reduced business turnover cannot stand the Government overhead of flush years. Our foreign trade is now $100,000,000 a month, instead of more than $200,000,000 as two and three years ago. It is no secret that this decline has taken much of the vigor out of domestic business. Customs and excise duties have fallen $29,000,000 in the last eight months. Reduced earnings have been reflected in lowered income revenue collections amounting to $16,000,000. Forty-five per cent of the expected deficits is found in these two items on a return covering but two-thirds of the year, a mirror of the business situation which would be adversely affected further by the suggested imposts.

Every business institution is obliged to cut its coat according to its cloth. There is by no means as much cloth to go on at Ottawa as there was when the prevailing standard of spending was reached. It has shrunk tremendously. The proper course of the government—to retrench drastically, even ruthlessly—is as clear as can be.

Co-operation To Cut Costs

New Westminster British Columbian.—If one seriously agrees that the cost of government throughout the Dominion is excessive, the practical result of such warnings should be for each city and municipality to see where it could help the government and help their own administration to reduce this excessive cost. Instead of this, however, the tendency appears to be to threaten the administration responsible for an effort to reduce excessive expenditures that, if it endeavors to retrench as prudence dictates it should, instead of receiving assistance from other public bodies it will be charged with the responsibility of raising local taxation and thereby imposing additional burdens upon the public. To effect the desired reduction in the cost of administration in Canada, the co-operation of all governing bodies and of the people is needed, not the following of a selfish policy and deliberate working at cross purposes.

A Voice in Protest

Porcupine Advance, Timmins.—In case public expenditures are curtailed now, what is the inevitable answer. It means no more and no less than the relief of unemployment by direct charity. This is a loss alike to the recipients and to the country. Money spent for direct relief pauperizes those who receive it, and for the money thus spent the country will receive nothing but an evil legacy of injury and demoralization. It is difficult indeed to understand how any loyal, thoughtful man can endorse direct relief in preference to the other method of giving men the opportunity to help themselves.

It is true that in the dispensation of the relief money, part of which comes from the Dominion treasury and part from the provinces but all from the people, there has been some lacks of efficiency and the best judgment. It has taken more than six months for Hon. Wm. Finlayson to mobilize less men for unemployment relief than were gathered together, outfitted and partially trained by Hon. Sam Hughes in six weeks in the days of war. There has been much disappointment because of the alternating helplessness and boastfulness exhibited in regard to the remedying of the unemployment situation. The fact remains, however, that the original plan was all right, and any difficulties about it have been due to poor administration. No thoughtful man should allow himself to be led astray by any parade of the clanking ghost of high taxes. His answer should be: People can not be allowed to starve to death in this country, and the money for their relief accordingly has to be spent; there is no escape from that; and it is only common sense and good business to use the method that will give the country returns for its expenditures in this connection.

Lesson to be Learned

Sarnia Observer.—It is now too late to undo what has been accomplished in overburdening communities through lavish expenditures, but the public can learn a lesson which, put to practical experiment, may prove valuable in the future. The whole structure of public administration is scandalously extravagant and even with the disasters that are already in prospect the public is astoundingly indifferent. The average citizen is too much engrossed with his individual problems to pay much attention to governmental affairs. He is hoping that honest administrators will come to the front and take charge of the wreck. He is doing little to ensure that, but it must be recalled that necessity usually produces people who are competent to handle a difficult task.

Borrowing Spree Ends

Ottawa Citizen.—Canada has just borrowed from her own people $150,000,000. She was able to do so quite easily. But it was to finance the depression. And financing the depression merely by borrowing at interest is not good business. The lesson is obvious. We shall have to stop borrowing too. We shall have to pay higher taxes, as well. Much higher.

Strange Ways of Reducing

New Westminster British Columbian. — Various governments and people appear to entertain strange ideas regarding methods of retrenchment and of reducing public expenses. In our own province, for instance, we have the example of a government increasing the personnel of its liquor control board from one to three highly paid officials and handing the deposed member a handsome bonus to secure his quiet and orderly retirement. Then we find it putting a number of minor employees, gardeners and janitors, all drawing insignificant salaries, on half time employment as an economy measure. Buying wood to keep the unemployed housed in government camps located in a logging camp area, warm but idle while orders for crosscut saws appear on the requisitions for these camps, is possibly also another evidence of strange and wondrous ideas of economizing which some people entertain.

Make Halifax Port of Call

As an indication of what may be expected in the way of tourist traffic to Nova Scotia during 1932, L. W. Fraser, Director of Information for the province, states that at this early date, there are forty cruise ships scheduled to call at Halifax, and at least twenty more sailings in definite prospect for next year.

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U.S. CRUDE COSTS ARE HIGHER THAN THOSE OF PETE.

Bulky Report of Tariff Commission Shows Advantage

CANADA AS BUYER

Is U.S. Best Customer For Oil Products—Present Prices Under 1930 Costs

Canadians are chiefly interested in the report prepared by the United States Tariff Commission as the result of an investigation of comparative costs of production of crude petroleum, crude oil, gasoline and lubricating oils in the United States and other countries in so far as it shows the cost in Colombia and Peru of International Petroleum and its subsidiary, Tropical Oil Co. Even though the Tariff Commission, out of respect to the wishes of the various companies not to make public their individual costs, has lumped most of the costs outside of the United States together, there is considerable data of interest in Canada.

The report finds that the average cost of crude petroleum in the United States for the four years from 1926 to the end of 1930, including delivery to Atlantic coast refineries, was $1.90 per barrel. As the greatest imports of the United States come from Lake Maracaibo in Venezuela, a special investigation into that field was made resulting in the conclusion that in the same four year period, the average cost of production was 62 cents a barrel before delivery charges to the Atlantic seaboard of the United States and 87 cents a barrel delivered on the Atlantic seaboard.

United States Cost Greatest

Lumping the Maracaibo Basin costs along with all other foreign costs, including Colombia and Peru, the average was $1.15 per barrel delivered to the Atlantic seaboard, 87 cents representing cost of production and local transportation and 28 cents the ocean tanker charges. The United States cost was therefore 75 cents a barrel in excess of the cost of these foreign countries.

In 1930 it was found that the gross value of the product from a barrel of United States crude at the Atlantic coast refineries was $2.74 and from a barrel of Maracaibo crude, $1.71. The cost of refining was greater for the United States crude but it was stated that foreign crude was worth only seven-tenths of the value of United States crude. The cost of seven tenths of a barrel of United States crude would be $1.33 in 1930 as compared with 87 cents for the Maracaibo crude.

The Atlantic coast area is used as the basis of comparison almost exclusively in the voluminous report on the petroleum industry just produced because it is the only region in which foreign production of petroleum competes to any important extent with United States production. Even on the Atlantic coast refineries crude supplies are 70 per cent or more of domestic origin. Translated into terms of gasoline in 1931, the United States costs were shown to be 7.62 cents a gallon and foreign costs 6.70 cents a gallon, a difference of .92 cents a gallon.

United States Share Declining

At all times during the last fifteen years, the imports of crude petroleum have much exceeded the exports from the United States. The exports of refined petroleum products have, however, been many times more than imports and in the total crude petroleum and the refined products show a balance in favor of the United States.

During the last 15 years the United States has produced from two-thirds to seven-tenths of the world total output of crude petroleum. In the last few years the percentage to the total has shown a considerable decline to 63.7 per cent in 1930, Venezuela being second with 9.7 per cent and Russia, third, with 8.9 per cent.

Of its imports of crude petroleum in 1929 and 1930, 12½ per cent came from Colombia and 1.3 per cent from Peru. Over sixty barrels of crude petroleum out of every hundred barrels imported came from Venezuela. By value, 14.5 per cent of crude petroleum came from Colombia and 2.1 per cent from Peru.

Cost 76 Cents a Barrel

International Petroleum Company and Tropical Oil Company were responsible for more than ninety per cent of the total oil produced in Colombia and Peru in the four years under review by the United States Tariff Commission. The average cost per barrel in these two countries as consolidated with the returns from Mexico, Trinidad, Ecuador and Eastern Venezuela, was 72 cents a barrel in 1927 and 76 cents a barrel in 1930.

The charge for transportation by the Andian Pipe Line Co. from the oil fields in Colombia to Cartagena on the coast is .6796 cents per barrel. This is the regular tariff including the profit to the Pipe Line Company.

Pete Crude Quality Good

In considering the cost and sales figures from all the countries which have been exporting to the Atlantic seaboard of the United States, one should remember that the average gravity of the crude petroleum produced in these places differs very widely. The four year average from Lake Maracaibo in Venezuela is shown at 19.55 degrees whereas Colombia and Peru show an average of 29.68 degrees for this period, higher than any of the other exporting foreign countries except Ecuador which showed an average of 39.31.

In referring to the average cost of production at wells in the various countries and at various points in the United States some of the tables compiled by the United States Tariff Commission indicate that there is a wide disparity between costs. Eleven per cent, for instance, of the United States wells had costs below 39 cents per barrel and another 30 per cent had costs from 40 to 79 cents a barrel, and another 28 per cent from 80 cents to $1.19 per barrel. On the whole, though the returns were not uniform, the costs of large producers as a rule were lowest.

One table prepared by the United States Tariff Commission showed the unit price of crude petroleum delivered at the Atlantic coast refineries from Colombia: average in 1927 was $2.05 a barrel; $1.65 in 1928; $1.76 in 1929 and $1.71 in 1930. Deliveries from Peru, which were comparatively slight, showed a unit price of $1.12 per barrel in 1927; $2.05 per barrel in 1928; $2.48 per barrel in 1929 and $2.27 per barrel in 1930.

Canada Best Consumer

The exports to North America are shown at 42,880,000 barrels of crude in 1929 and 1930 and 13,000,000 barrels of gasoline. This made about 85½ per cent of the total exports of the United States of crude petroleum; and 10 per cent of the gasoline exports. Canada alone took 82½ per cent of the total to all countries of the world, or 41,378,860 barrels.

All exports to North America in countries for these two years as measured in dollars amounted to $60,790,000 for crude and $49,620,000 went for gasoline. In other words, 86.9 per cent of total exports as measured in dollars went to North America and 9.95 per cent of gasoline, Canada taking the great bulk of this.

The average cost per barrel of crude at wells in the Mid-Continent-Gulf area, of large and small companies combined, for the four years ending December 31, 1930, amounted to $1.20 in 1927, to $1.06 in 1928, to $1.03 in 1929, and to $1.08 in 1930, making an average of $1.09 per barrel.

The average sales value in this period was as follows: $1.31 in 1927; $1.15 in 1928; $1.27 in 1929 and $1.13 in 1930, an average of $1.22 for the four years. In view of the fall in 1931 from the lowest price shown, it is apparent that the companies on the average in the producing regions have this year been selling for less than cost when depletion, amortization and proper development costs have been considered. These are sales figures which Canadian refineries had to purchase at until 1931.

The number of producing oil wells in the United States in 1921 is shown at 274,500, in 1925 at 306,100 and at 331,070 in 1930. The exports of crude petroleum and refined products to Canada in 1927 are shown at 19,091,455 barrels and this had risen to 26,108,981 barrels in 1930, crude petroleum accounting for 18,966,679 barrels. In 1927 exports to Canada of gasoline, naphtha and other finished light products amounted to 3,144,536 barrels and in 1930 to 4,281,886 barrels. The value of the exports to Canada in 1927 amounted to $40,784,206 and in 1930 to $48,970,445 of which crude petroleum accounted for $25,689,463. The value of exports of gasoline, naphtha and other finished light products were shown at $12,004,541 in 1927 and $15,261,119 in 1930.

U. S. Shippers Complain Of Can. Customs Office; Mistake Its Functions

Allege Information is No Longer Obtainable at N. Y. —Formerly Received Much Gratuitous Aid, But Should Now go to Trade Commissioner

From Our Own Correspondent

OTTAWA. — Many complaints have been received by the government in regard to the operations of the Canadian Customs office at New York.

These complaints fall under two headings:

It is said that United States' manufacturers are no longer able to obtain accurate information from this office about Canadian tariff changes, and are not able to find out what the duties are on the products they want to export.

Branch Plant Situation

It is said, also, that United States' capitalists desiring to build branch factories in Canada, or of getting an accurate idea of the Canadian market, are unable to get any satisfaction from our customs officials at New York.

The claim is made, further, that because of these things, much trade confusion and animosity have been created, and not a few industries lost to Canada.

Careful enquiry here shows that the first complaint is well founded, but that the second complaint is very much over-stated.

Function Misunderstood

In regard to the first, a situation arose at New York which, in the view of the Minister of National Revenue, required attention. Canada's foreign customs offices, and there are about six of them, are not maintained as information bureaux for foreign manufacturers, but as centres from which investigations can be carried on and information deemed necessary at Ottawa obtained. These offices are in existence at Chicago, Detroit, Buffalo and New York, as well as in Great Britain.

At each office, the National Revenue department maintains a staff of investigators whose job it is to enquire into production costs of foreign manufacturers. If, for example, there are large shipments of textiles entering Canada from the United States, and it is suspected that dumping is taking place, the department instructs the nearest foreign customs office to make an investigation. Dozens of such investigations are made every month. If dumping is taking place, tariff increases follow automatically. If not, Ottawa is in a position to resist the demands of Canadian manufacturers.

Official Too Obliging

But in no sense are these offices maintained as bureaux of information regarding the Canadian tariff. It so happened that the head of the Canadian customs office at New York was a very obliging person. When asked for information about the tariff, he did his best to answer. Finding him a ready source of information, many United States' manufacturers began to use the office. The result was that the real work fell behind. Rather than close down on the service, additions to the staff were made in 1929 and again in 1930.

Finally the whole question was reviewed and a decision reached to revert to the original function of the office. Orders were issued from Ottawa to discontinue "information" service, and to concentrate on the real work in hand. This caused great indignation, apparently, and could only be accomplished by locking the door against the general public, and in withdrawing the telephone number from the telephone book.

Not Government's Job

The decision, primarily, was based on the consideration that the office should do the work for which it was created. But, of equal weight at Ottawa, was the consideration that it was not the business of the Canadian government to give information to foreign manufacturers, which would enable them to export goods to this country. The government believes in shutting out imports, and is not going to maintain an information bureau to tell foreign manufacturers how to get goods into this country. In Ottawa's view, the more confusion which exists in the minds of foreign producers about Canada's tariff, the more effective that tariff is likely to be.

As to branch factories, the position is quite different. The National Revenue department, which supports the customs office at New York, takes the position that it is purely a revenue department. Its job to enforce the tariff, the sales and excise taxes, income tax and other imposts. It has nothing to do with any other activity of government.

The job of providing information to capitalists who are interested in Canada as a field for branch factories is one for the Trade and Commerce department. There is, in this, no element of "buck-passing." The Trade and Commerce department agrees that this is one of its major activities, and the Trade Commissioner branch has been busy for a year or more getting together information about the Canadian market. Every Canadian trade commissioner has been instructed to encourage foreign companies to build branch plants in Canada. A book illustrating the advantages of Canada has been printed.

It is the view of the government that enquiries at New York for branch plant information should be addressed to Trade Commissioner Hudd, and it is believed that he would give every possible service to bring new plants to this country.

But the only tariff phase which enters into the work of the Trade and Commerce department concerns foreign tariffs against Canadian exports. If any capitalist, enquiring into the advisability of building a branch plant here, wants to know what duties would have to be met in exporting, say, to Italy, the Trade and Commerce department will tell him immediately. But they do not try to give information about the Canadian tariff.

The whole thing boils down to this: The customs office at New York has been instructed to stop giving information about the Canadian tariff. It is functioning purely as a fact finding branch of the Ottawa department. Information about branch factories in Canada is eagerly given by the trade commissioner at New York. Ottawa does not desire to give information in regard to our tariff, believes that the more confusion that exists, the lower our imports will be.

COURT APPROVES REORGANIZATION OF BROKERS FIRM

Rights of the Dissenting Creditors Are Reserved

From Our Own Correspondent

MONTREAL.—Court approval of the reorganization of McDougall and Cowans, bankrupt stock-brokerage firm, has been given by Arthur Delisle, K.C., registrar in bankruptcy, who has granted the petition for approval filed by Gordon W. Scott, trustee. Rights are fully reserved to creditors who have not approved the scheme and who may have filed appearances reserving their rights to contest the scheme. The registrar, too, makes the present approval conditional upon complete fulfilment of conditions of this scheme by the debtors and trustees.

The plan of reorganization entails the formation of a realization company, shares of which will be issued to creditors. The realization company will obtain 60 per cent of profits from the firm's operations for the next seven years while the remaining 40 per cent goes to the brokerage firm. While the judgment rendered leaves the way open for the organization of McDougall and Cowans Holdings, Ltd., the name proposed for the realization company is not a discharge from bankruptcy and under it the firm will not be allowed to resume business as members of the Montreal Stock Exchange.

See Possible Discharge

Prospects, however, that a discharge may be secured within the next three months are opened up by a provision of the judgment which declares that at any time within the next three months the trustee may apply to the courts for a discharge from bankruptcy and an order vesting the property of the debtors in the holding company which it is proposed to form.

In the judgment it is pointed out that creditors, representing 98.8 per cent in value and 77.1 per cent in number, have accepted the scheme of arrangement. Details of the judgment, exclusive of the printed scheme of arrangement, follow in part:

"Considering that under the terms of the said scheme of arrangement it should be possible to realize upon the assets of the said debtors in a more orderly manner than will otherwise be feasible;

"Considering that by the said scheme of arrangement the creditors become the owners of all the assets of the said debtors through the Holding Company, Limited, which is to be formed;

"Considering that the immediate liquidation of the debtors' assets would be disastrous to the creditors in the actual condition of the market;

"Considering that besides the assets of the debtors becoming the property of the creditors, such creditors may get from the continuance of the business by the debtors 60 per cent of the profit realized within the next seven years;

Grants Petition Sought

"Doth grant the said petition, doth approve the scheme of arrangement as submitted by the said debtors and as set forth in the document marked 'A' annexed to the present judgment and to the petition, in order that it shall become binding upon all the creditors of the said debtors, with the express reservation, however, that the trustee shall retain all the rights, powers, and authority presently vested in him in his quality of trustee aforesaid under the provisions of the Bankruptcy Act, and that this approval of the court of the said proposal for a scheme of arrangement shall not take effect until the debtors shall have fulfilled to the satisfaction of the trustee all of the obligations and undertakings assumed by them under the terms of the said proposal for a scheme of arrangement, and until the trustee shall have caused to be incorporated the said McDougall and Cowans Holdings, Limited (or other suitable name) and shall have conveyed to and vested in the said company all the assets, rights and interests required to be so conveyed and vested in order fully and effectually to carry out the said scheme of arrangement according to its terms and true intent; and furthermore doth empower the said debtors to sign and execute, authorized and approved by the trustee, any assignments, applications or documents that may be necessary for the purpose of giving effect to the terms and provisions of the said proposal for a scheme of arrangement as submitted by them; and that upon the fulfilment of such conditions the petitioner shall at any time within three months request this court to issue an order annulling the bankruptcy of the debtor and vesting the property of the said debtors in the said company (McDougall and Cowans Holdings, Limited) without any further notice to the creditors.

Rights Are Reserved

"The rights of any creditors who may have filed appearances or otherwise manifested in writing to this court the peculiarities of their claims and who have not formally consented to the said scheme of arrangement, are specially reserved to them in respect of any claims to liability from which the said debtors would not be discharged by an order of discharge in bankruptcy—the whole with costs against the mass (that is, against the estate)."

DOMINION COAL HAD HEAVY LOSS ON 1931 ACTIVITY

Company Continues Effort to Reduce Wage Rates

From Our Own Correspondent

MONTREAL.—Stating that Dominion Steel and Coal Corp. had lost $1,800,000 in coal operations during 1931, and that of this amount the Dominion Coal Co. had lost $1,450,000, H. J. Kelley, vice-president and general manager of Dominion Steel and Coal Corp. declared that a reduction in wages averaging 12.3 per cent was necessary if competition from United States mines, now operating on a reduced wage scale, was to be met. Mr. Kelley made his statement at a conference between Dominion Steel and Coal Corp. and its coal mine workers in which discussion the Nova Scotia government is now acting as mediator.

The corporation has proposed wage cuts ranging from 10 to 33 per cent; the Union executives, representing some 12,000 miners, have refused to accept them. Neither party, during more than two months of conferences, has receded from its position and the question is now being discussed before the Nova Scotia government.

Causes and Effects

Various factors contributing to the present situation, as outlined by Mr. Kelley, were cheap production in United States fields; the check-off system, under which certain amounts were deducted from the miners' wages for medical care, etc., and union fees; concentration of population; and such other considerations as bootleg mining and loss of rent on company houses. The company's general housekeeping, and properties above and below ground were good, he said.

Representatives of the miners, on the other hand, saw ruin for the Nova Scotia coal industry if it entered the cut-throat competition that exists in the United States coal fields, and prohibition from Canada of coal mined in certain United States fields was advocated.

Production Costs Stated

Returning to the keen competition with which Dominion Coal Co. was faced and the need for reduced wages, Mr. Kelley stated that a ton of the company's coal cost $4.50 at the pit mouth, and then quoted a United States firm, operating in a field competing with the Nova Scotia industry, which quoted prices ranging from 95 cents a ton for nut slack up to $1.20.

It was stated that the company's miners received $3.40 a day as a base rate for labor which costs 29 companies in the United States fields, $2.10. The company's output, he stated, was 2 tons per man per day, while that of its nearest competitor was 5.2 tons. In further argument, Mr. Kelley stated that over a period of ten years, $2,382,000 had been lost by the company on coal operations. During that period, $9,000,000 had been put back into the industry in depreciation and sinking fund, of which $3,450,000 was of the latter account.

Factors Affecting Sales

Speaking of sales, it was pointed out that C. P. R. business totalling 500,000 tons had been lost since the war. The steel plants at one time had taken 1,000,000 tons and now consumed about 731,000 tons. A United States market where 330,000 tons had gone in the early days, was no longer available, owing to the high price of Nova Scotia coal.

For the current year, he said, arrangements had been made to sell 150,000 tons to Montreal Coke and Mfg. Co., provided a wage reduction was effected, while some hopes were held of getting some C. P. R. business.

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Insurance for Buyer and Seller

ORDER-IN-COUNCIL GIVES AUTHORITY FOR VALUATIONS

Federal and Provincial Gov'ts Announce June 30 Basis For Stocks

BONDS DEC. 31, 1930

Federal Govt. Makes Extraordinary Statement Regarding Recent Decision on Jurisdiction

Acting under the authority of the special unemployment and farm relief emergency statute of 1931, the federal government at Ottawa last week issued an order-in-council giving itself a new lease of life in the matter of control of insurance and declaring the basis upon which insurance companies licensed at Ottawa may value securities for the year ending Dec. 31, 1931.

The new lease of life extends presumably until the opening of Parliament in February for it is stated in the order-in-council that at the coming session of parliament, legislation will be submitted which will be within the legislative competence of the federal government to replace that wiped out by Privy Council last October. That such action was contemplated by the federal government and that no abandonment of the insurance field in favor of the province was planned, was forecast by The Financial Post on October 31 and December 19, 1931.

As pointed out in The Financial Post last week, the total value of securities affected by the federal rulings from Ottawa (on the basis of December 31, 1930 valuations) is over $1,250,000,000 and represents approximately 62 per cent of total assets. The new ruling issued through last week's order-in-council affects only common and preferred stocks and permits insurance and trust and loan companies coming under federal jurisdiction to use June 30 values for stocks held at that date and not since disposed of. Bonds and debentures (presumably industrial issues) are allowed Dec. 31, 1930 values. The June 30 date coincides with the valuation date chosen by the United States Insurance Commissioners and is taken because it is found that security values on that date approximated the average valuation over the five quarterly periods ending September 30.

On the basis of the Dow Jones averages of the prices of 30 leading N. Y. industrial stocks, June 30 values are approximately 9 per cent below corresponding values on Dec. 31, 1930. As at December 31, 1931, the Dow Jones averages stood at 78 which is a drop of 52 per cent from the close on December 31, 1930, which was 165. The June 30 average for the same stocks is 150.

The summarized statement issued by G. D. Finlayson is as follows:

1. For bonds and debentures

(a) *held* on December 31, 1930, and not since disposed of and not in default or intrinsically depreciated since the said date, the market values as at December 31, 1930:

(b) acquired since December 31, 1930, and not in default, the book values as at December 31, 1931.

(c) other than those mentioned in (a) and (b) above, the market values as at December 31, 1931.

2. For preferred and common stocks

(a) held on June 30, 1931, and not since disposed of, the market values as at the said date:

(b) acquired since June 30, 1931, the book values as at December 31, 1931.

Almost simultaneously with the issuing of the above regulations, the standing committees on valuation of securities of the Association of Superintendents of Insurance of the provinces of Canada issued an identical statement for the benefit of insurance companies licensed under provincial governments. Although the provincial governments are constitutionally at loggerheads on the matter of insurance jurisdiction it was generally believed that they would follow the example set by the federal government at this time.

The text of the federal government order-in-council which is the first official utterance since the Privy Council decision of October, 1931, and is therefore an exceedingly important government document on that account, in that it clearly sets forth government policy as to the future action of the federal government in regard to jurisdiction, is as follows:

"Whereas there has been laid before his Excellency the Governor-General-in-Council a report from the Minister of Finance, submitting that, for some years, litigation has been carried on to determine the validity, in whole or in part, of the Insurance Act of Canada, being Chapter 101 of the Revised Statutes of Canada (1927);

"That on Jan. 26, 1931, Hon. Mr. Justice Garrow of the Supreme Court of Ontario, in an action brought by the Attorney-General of Ontario, as plaintiff, against the Attorney-General of Canada, the Minister of Finance and George D. Finlayson, as defendants, declared that Sections 4, 11, 12, 65, 66, 91, 123 and 135 of the said Insurance Act of Canada are ultra vires of the Parliament of Canada, and that the Minister of Finance and George D. Finlayson are not, nor is either of them, entitled to act under or enforce any of the said sections of the said act;

"That on Oct. 22, 1931, the Judicial Committee of the Privy Council, in Consolidated Appeals No. 36 of 1931, between the Attorney-General of Quebec as appellant and the Attorney-General of Canada as respondent and others, as interveners, advised his Majesty that the said Insurance Act was, in respect of certain provisions thereof, not properly framed;

"That the law officers of the Crown advise that the aforesaid decision of the Judicial Committee of the Privy Council does not settle or determine the extent to which the legislative jurisdiction of the Parliament of Canada may validly be exercised with respect to insurance companies incorporated under the laws of the Dominion of Canada or of any other country;

"That it is the purpose of the Government to submit to the Parliament of Canada at the approaching session thereof an insurance bill which in the opinion of the law officers of the Crown will be within the legislative competence of such Parliament;

"That Chapter 58 of the Statutes of Canada, 1931, conferred upon the Governor - General - in - Council full power to make all such orders and regulations as may be deemed necessary or desirable for relieving distress, providing employment, and, within the competence of Parliament, maintaining peace, order and good government throughout Canada;

"That the Parliament of Canada has exclusive legislative jurisdiction with regard to bankruptcy and insolvency, and that, as the preservation of solvency of such insurance companies is of the utmost public importance, calling for continuous and uniform supervision and for proper actuarial valuations of their future obligations under their policies, it is desirable in the interests of good government throughout Canada that an order should be made under the authority of the said statute providing that a valuation be placed upon the assets of insurance companies that have heretofore been licensed under the provisions of the Insurance Act;

"That it has been the custom to appraise the values of common and preferred stocks carried as assets by insurance companies and included in the annual financial statements of such companies at the values prevailing on Dec. 31 in each year as reflected by the stock exchanges or as may be otherwise ascertained by the Superintendent of Insurance;

"That under ordinary business conditions this has been found sufficiently accurate for the purposes of such statements, but valuations ascertained as of Dec. 31, 1931, under the disturbed financial conditions now prevailing, would be unfair to companies licensed under the said act, and it is therefore desirable to depart for the time being from the practice of taking the market quotations on the last day of the year as the fair market values;

"That in the United States of America this has been recognized, and the Commissioners of Insurance throughout the States have generally substituted for the market quotations of stocks for a particular day the average prices of stocks as reflected by the exchanges for a range of five quarterly periods ending Sept. 30, 1931, which average prices have been found to approximate the prices prevailing on June 30, 1931; and

"That, in view of the fact that many companies heretofore licensed under the Insurance Act of Canada are transacting business in various States of the United States of America, as well as in other foreign countries, it is desirable that an approximately uniform practice should be observed;

Values on June 30

"Therefore his Excellency the Governor-General-in-Council, on the recommendation of the Minister of Finance, and under and in virtue of the powers conferred by Chapter 58 of the Statutes of Canada, 1931, is pleased to order, and it is hereby ordered, as follows:

"1. The Superintendent of Insurance, for the purpose of the returns to be made by insurance companies heretofore licensed under the provisions of the Insurance Act, being Chapter 101 of the Revised Statutes of Canada (1927), and to enable such Superintendent of Insurance to determine the solvency of such companies, is hereby authorized and empowered to accept such returns as sufficient evidence of such solvency when it appears that the common and preferred stocks included therein are valued at not more than the book values if purchased since June 30, 1931, or if purchased on or before the said date, at prices not exceeding the market prices of such stocks prevailing on June 30, 1931, which prices have been found to approximate the average prices of stocks as reflected by the exchanges for a range of five quarterly periods ending Sept. 30, 1931;

"That the other assets of the companies have been valued on the basis prescribed by or authorized under the provisions of the said Insurance Act, and that the stocks and other assets, when valued as aforesaid, are not less than the liabilities of such companies to the public."

Insurance Policyholder Need Not Be Worried Over Valuation Changes

Formal intimation that the federal and provincial governments of Canada would allow insurance companies considerable leeway in the matter of valuation of over $1,250,000,000 of securities held by them, when they came to make up their annual statements as at December 31, 1931, is causing some unnecessary concern and confusion among hundreds of thousands of policyholders throughout Canada.

There is really nothing very mysterious or alarming in this course of action which has had four precedents in Canada in the past 15 years and eight precedents in the United States in the last thirty years. In effect it is a formal acknowledgement by governmental authorities that present market values of millions of dollars worth of bonds and stocks which were purchased as long-term investments, do not truly reflect the intrinsic worth of such securities.

Practice Regarding Mortgages

This has been the permanent practice of governments in regard to insurance company holdings of mortgages for which no suitable market values are available on a given date year after year, and which are therefore allowed to be taken in on the insurance company books, at book values, for valuation purposes. The same principle is now being applied generally across the whole sphere of insurance investments, for this particular year, in the belief that if this were not done the asset side of the insurance balance sheet would be distorted out of proper proportion to the real facts of the situation.

Life Insurance Long-Term Contract

This is particularly true in so far as life insurance companies are concerned because life insurance is essentially a long-term investment the average liability on an individual contract not maturing for perhaps ten or fifteen years. Against this liability insurance companies invest their money in long-term investments, and it is logical that within reasonable limits the long-term perspective should be kept in view when situations such as now surround the security markets of the world have to be faced.

It has been the proud boast of Canadian life insurance companies that no policyholder has ever lost a dollar through failure of a concern to live up to its obligations and there is every reason to believe that it is in the best interests of both policyholder and company that this very sensible precaution should be taken at this time. That the precaution is being taken is not a sign of weakness in the immense structure of insurance and trust and loan company investments, but rather an indication of the inability of our present system of valuation, to meet and cope with a situation such as the present one, without an adjustment such as has recently been announced by the federal and provincial governments.

John B. Laidlaw Honored by Insurance Associates

Canadian Automobile Underwriters Association recently presented John B. Laidlaw of the Norwich Union Fire with an oil painting of himself, upon his retirement from active insurance management. Mr. Laidlaw was also president of the Union Trust Co., and a director of Founders' Investment Trust Ltd.

Agency Supervisor

T. O. COX

Whose appointment as superintendent of agencies, in charge of the Excelsior Life Insurance Co. sales organization, has been announced. Mr. Cox was formerly provincial manager for Ontario.

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SASKATOON EDMONTON
CALGARY VANCOUVER

EXPECTS TO SEE 1931 LIFE SALES 12 P. C. LOWER

G. D. Finlayson Also Reviews Fire Experience of Past Year

Decrease in new life insurance business written and paid for in Canada in 1931 as against 1930 will be approximately 12 per cent, according to an estimate made by G. D. Finlayson, Superintendent of Insurance at Ottawa. The amount computed is $775,000,000, or about the same as the amount written in 1926, this comparing with $885,000,000 in 1930 and $975,000,000 in 1929.

Canadian experience only reflects that of the continent as a whole, however, the estimated decrease in the United States in 1931 being 14 per cent.

Other notable features of the insurance business during 1931, Mr. Finlayson points out, has been the increased tendency on the part of policyholders to surrender their policies for their cash values or to encumber policies with loans. The complete story regarding surrenders is not yet available but figures for policy loans for the first half of the year show that Canadian companies made loans aggregating over $48,000,000, which represented an increase of over 13 per cent over the amount for the same period of 1930.

There has also been a striking increase in the amount of policy loans repaid by surrenders, these amounting in the first half of the year to $12,266,319 as against $8,178,965 for the same period in 1930, an increase of approximately 50 per cent.

Fire Income Down

In regard to fire insurance business, Mr. Finlayson states that there will probably be a decrease of 10 per cent in premium income, due largely to decreased building activity and to reduced values of stocks, but also partly due to a gradual increase in the premium rates on highly protected properties. The loss ratio for the year is expected to be somewhat higher, 60 per cent being indicated as against 58.2 per cent last year.

An unusual increase in the number of fires and total loss on dwellings has been experienced. For the ten months ending October 31, 23,175 dwellings had fires, compared with 20,000 during the same period of 1930, 18,367 in 1929 and 16,906 in 1928. That arson or incendiarism is responsible for the increase is incapable of proof, but one matter that has been brought out by investigations is that many of the fires were small when discovered and developed owing to the absence of means of extinguishment.

Fires in barns and other farm buildings have also shown an increase. Investigations are going forward with a view of determining the causes and it will probably be found that, while spontaneous combustion may have been a big factor, incendiarism and the increased use of electricity and mechanism on farms will both figure at least partially responsible for the increase.

Current Events in Banking World

GOLD RESERVE BEHIND NOTES AT LOW RATIO

Business Year Book Chart Supports Prof. Curtis' Theory

That the gold backing behind Canada's note issue is at present at the lowest ebb since the end of 1929 is revealed by a study of figures published by the Department of Finance and charted by The Financial Post Business Year Book.

Thus, at the end of November (the latest figures available) the Dominion note issue totalled $197,262,036. Gold held by the Minister of Finance against these notes amounted to $68,623,851, or 34.79 per cent. While this amount is more than sufficient according to the requirements of the Dominion Notes Act (the excess being $1,361,816), it is possible owing to the flexibility of the Finance Act, for there to be practically unrestricted inflation without exceeding the limits set by the Dominion Notes Act, a situation which has now developed for the second time in the past five years.

Statutory Requirements

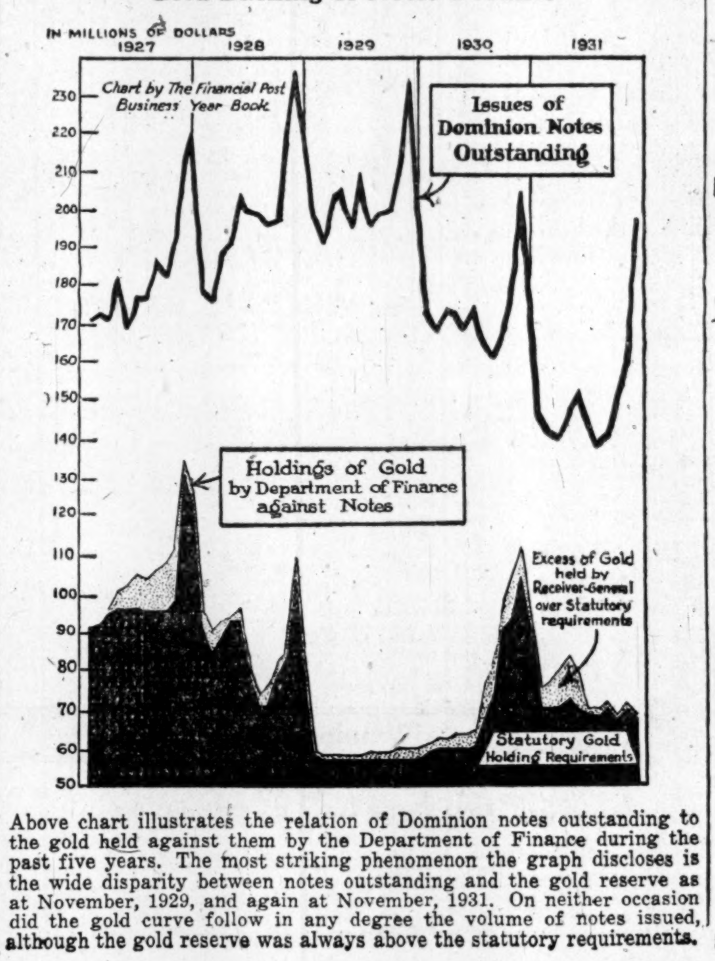
To describe the manner in which this is effected needs some preliminary explanation. First, there are two statutory authorities for the issue of notes, one—the Dominion Notes Act—which requires a gold reserve equivalent to 25 per cent of the first $50,000,000 of notes issued, and dollar for dollar thereafter. Under this act, notes to the value of $104,762,036 are outstanding, and the gold held against this is, on the basis outlined, $12,500,000 plus $54,762,036, a total of $67,262,036. Actually $68,623,851 is held, hence the excess noted above.

The second authority is the Finance Act, which permits the issue of Dominion notes up to any amount against the deposit of acceptable securities. It is obvious, then, since we have on the one hand the Dominion Notes Act carefully regulating the issue of governments notes, requiring a certain percentage of gold behind them, and on the other hand, the auxiliary Finance Act, both permitting the issue of government notes, there is virtually no restriction on the issue of notes and there can be a margin of any dimension between notes outstanding and actual gold holdings. The margin as at the end of November, last, was around $128,600,000, as shown by the figures already quoted.

Abnormal Situation

The chart appended shows the position clearly, and it further shows that in 1929 the amount of notes outstanding at November, when the usual seasonal peak is reached — reflecting the increased tempo of public financial transfers at that time in addition to the normal expansion of credit—the issuance of notes unbacked by gold was resorted to in unprecedented measure. This situation has again been duplicated to almost the same degree, and, according to Professor C. A. Curtis, of Queen's University, Kingston, this inflation is to some extent responsible, indirectly, for the weakening of Canada's monetary situation and for forcing her off the gold standard.

Gold Backing of Notes Declines



Above chart illustrates the relation of Dominion notes outstanding to the gold held against them by the Department of Finance during the past five years. The most striking phenomenon the graph discloses is the wide disparity between notes outstanding and the gold reserve as at November, 1929, and again at November, 1931. On neither occasion did the gold curve follow in any degree the volume of notes issued, although the gold reserve was always above the statutory requirements.

Bank Chat

C. G. ROYDS, formerly manager of the Brantford branch of the Imperial Bank of Canada has been appointed to the inspection department at head office, Toronto.

D. SUTHERLAND, formerly manager of the Timmins branch, Imperial Bank, takes over the managership of the Brantford branch.

The Canadian Bank of Commerce announces the following changes in the branch activities:

BRADWARDINE, MAN.—Commencing December 1, 1931, this sub-agency will be open on Monday of each week, instead of Monday and Thursday as at present.

LENORE, MAN.—Commencing December 1, 1931, this sub-agency will be open on Tuesday of each week, instead of Tuesday and Friday as at present.

JAMES MUIR, recently appointed joint chief inspector of the Royal Bank of Canada, has recently arrived in Montreal from Winnipeg and has assumed his new duties at head office. Mr. Muir was formerly manager of the Winnipeg branch of the bank.

The Bank of Nova Scotia announce the following appointments:

W. R. ADAMS to be assistant supervisor of eastern branches at Saint John, N.B., succeeding T. G. McMASTER, who has been transferred to the Ontario division at Toronto in a similar capacity.

W. B. SNOW, formerly assistant manager at Montreal, has been appointed manager at Brantford, succeeding E. J. MABON, who has been granted indefinite leave of absence on account of ill health.

W. K. WATERS, formerly at Toronto head office, has been appointed assistant manager at Montreal.

What Editors Say of Banks

Noted Banker Passes

Winnipeg Tribune.—The late David R. Forgan's banking training in Canada—in Halifax, Winnipeg and Fredericton—was the basic asset which he carried to Chicago. To this was added Scotch shrewdness and integrity and natural financial aptitude. He was before long recognized as a national banking figure in the United States.

Mr. Forgan's advice was sought and recognized from the White House to the utmost fringe of financial activity. The Chicago National Bank of the Republic, an immense Chicago financial institution, was the outcome of Mr. Forgan's experience in bank management and organization, including this final merger. His pre-eminence was a long stride from his bank messenger service at St. Andrews, Scotland, in the Clydesdale bank.

His international usefulness in economic problems was seen by his close association with General Charles G. Dawes, when the latter evolved the first coherent plan of German war reparations.

His service in the middle eighties in Winnipeg was that of foundation laying for the Bank of Nova Scotia's steadily increasing business here. In the United States Mr. Forgan was responsible for much advice that modified dependence upon small local institutions, by explaining the virtues of a strong central system at times when money was required above normal demands in agricultural sections or elsewhere. His knowledge of the Canadian banking system was inculcated with effect. The American Federal Reserve Bank was a modified outcome of the sentiment he helped to create in United States banking and political circles.

Yearly Bank Clearings

Eastern Cities	1930	1931
Halifax	$174,720,967	$150,986,615
Saint John	124,224,177	115,490,903
Moncton	51,039,289	38,911,582
Sherbrooke	45,958,556	37,092,630
Montreal	6,917,957,798	5,773,473,678
Quebec	340,581,738	385,294,714
Ottawa	372,586,752	323,349,845
Kingston	44,029,368	35,357,257
Peterboro'	47,113,834	38,026,819
Toronto	6,036,838,536	5,134,895,419
Hamilton	310,976,401	247,414,617
Brantford	58,564,628	48,891,417
London	168,047,076	145,511,234
Windsor	214,689,007	150,917,305
Chatham	32,339,342	27,388,592
Sarnia	36,465,046	25,489,715
Sudbury	57,887,761	36,319,007
Western Cities	1930	1931
Fort William	$ 43,543,160	$ 11,562,854
Winnipeg	2,517,469,597	2,253,265,522
Brandon	26,763,171	21,015,599
Moose Jaw	59,359,874	37,751,158
Regina	252,851,221	192,876,885
Saskatoon	117,775,191	89,784,777
Prince Albert	22,887,343	19,749,381
Edmonton	293,550,899	237,843,012
Calgary	451,673,700	319,987,617
Medicine Hat	17,303,187	12,319,717
Lethbridge	29,064,561	20,747,000
Vancouver	994,131,725	795,227,626
Victoria	125,397,653	96,261,892

Monthly Bank Clearings

Eastern Cities	Dec., 1930	Dec., 1931
Halifax	$ 14,608,296	$ 12,306,066
Saint John	9,732,561	9,244,148
Moncton	3,901,249	3,667,655
Sherbrooke	3,645,895	2,960,024
Montreal	568,116,618	455,021,112
Quebec	28,515,459	22,462,711
Ottawa	31,646,219	28,678,556
Kingston	3,505,431	3,185,263
Peterboro'	4,318,228	3,348,235
Toronto	477,705,707	386,969,465
Hamilton	24,736,866	20,008,220
Kitchener	5,842,399	4,654,061
Brantford	5,517,966	4,340,604
London	14,679,129	12,873,240
Windsor	14,705,111	12,249,065
Chatham	3,255,010	2,826,795
Sarnia	2,883,352	2,302,786
Sudbury	4,157,292	2,895,193
Western Cities	Dec., 1930	Dec., 1931
Fort William	$ 3,953,618	$ 3,114,877
Winnipeg	186,949,704	194,067,819
Brandon	2,213,608	2,047,969
Moose Jaw	4,201,556	3,048,649
Regina	19,926,844	21,515,120
Saskatoon	9,686,927	7,923,394
Prince Albert	1,943,779	1,731,694
Edmonton	26,261,838	22,957,601
Calgary	37,813,817	26,497,814
Medicine Hat	1,418,249	1,130,218
Lethbridge	3,438,912	1,878,271
N. Westminster	3,407,686	2,438,353
Vancouver	77,624,994	84,503,892
Victoria	9,357,923	7,446,179

Weekly Bank Clearings

Eastern Cities	Dec. 31, 1930	Dec. 31, 1931
Halifax	$ 2,616,593	$ 2,118,940
St. John	1,720,124	1,584,155
Moncton	725,764	676,079
Sherbrooke	630,800	503,117
Quebec	4,820,001	4,152,031
Montreal	125,351,838	69,063,386
Ottawa	5,422,740	4,982,564
Kingston	599,188	532,147
Peterboro	802,641	545,261
Toronto	78,988,196	62,371,754
Hamilton	4,493,303	3,530,588
Kitchener	1,055,789	726,910
Brantford	958,732	789,186
London	2,665,354	1,964,988
Windsor	2,938,222	2,068,177
Chatham	629,818	494,296
Sarnia	407,837	353,638
Sudbury	775,876	512,204
Western Cities	Dec. 31, 1930	Dec. 31, 1931
Fort William	$ 643,374	$ 524,515
Winnipeg	32,267,816	28,850,654
Brandon	384,108	327,491
Moose Jaw	672,075	521,892
Saskatoon	1,749,397	1,299,568
Prince Albert	229,708	311,173
Edmonton	4,093,748	3,486,954
Calgary	5,679,438	4,183,904
Regina	3,364,797	3,622,452
Medicine Hat	194,347	178,824
Lethbridge	404,919	294,644
N. West'ster	894,429	438,478
Vancouver	13,381,721	12,173,481
Victoria	1,404,372	1,184,778

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Chartered Trust and Executor Company wants to serve you. Remember that when making your Will, or otherwise requiring a trustee to act for you. The best service obtainable—the fees, reasonable.

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34 King St. West, Toronto 2
132 St. James St. West, Montreal, Que.
President:
JAMES Y. MURDOCH, K.C.
Vice-Presidents:
W. S. MORDEN, K.C. JOHN J. GIBSON, and Gen. Mgr.
Secretary: E. W. McNEILL

Teller Sees Bank "Ghosts" as Hoarded Bills Cashed

Depositing $600 in a Halifax bank recently an elderly lady presented to the teller a bundle of ancient bills which had apparently been hoarded by an earlier generation. They were all accepted, though the teller had never met many of the issues before.

The bills represented many banks which have now lost their identity, including the Merchants' Bank of Halifax, Bank of British North America, People's Bank of Halifax, Union Bank of Halifax and the Merchants' Bank of Prince Edward Island. All have been absorbed into other institutions since the bills were hidden for safe-keeping.

1932
Resolve to Open
A NEW ACCOUNT
that will be
A Real
SAVINGS ACCOUNT
ANY BRANCH OF THE BANK WILL BE GLAD TO HAVE YOUR ACCOUNT.
IMPERIAL BANK OF CANADA
HEAD OFFICE: TORONTO
CAPITAL AND RESERVE $15,000,000
230 Branches throughout Canada

ESTABLISHED 1881
SOLID AS THE CONTINENT
NORTH AMERICAN LIFE
A MUTUAL COMPANY
ALL PROFITS PAID TO POLICYHOLDERS
Permanence and financial impregnability. Assets of $45,000,000 held for benefit of policyholders—payments to them in the last 50 years over $53,000,000.
A Canadian Company
HEAD OFFICE — TORONTO, CANADA

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay street, (First Floor) Toronto, 2 Elgin: 5101-5102-5103 5104-5105-5106

Editorials that inform
Have you read them this week on page 6?

Woods Manufacturing Company, Limited

Jute and Cotton Bags
Hessians, Buckrams
Paddings and Twine

Tents
Flags
Tarpaulins
Clothing and Cotton Fabrics

Factories at MONTREAL, TORONTO, OTTAWA, WINNIPEG, WELLAND
Head Office MONTREAL

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

Atlantic Sugar Refineries LIMITED
Lantic Sugar
General Offices
485 McGILL STREET
MONTREAL
Refineries - Saint John, N. B.

Dominion Bridge Co. LIMITED
Montreal, P.Q.
Engineers, Manufacturers and Erectors of Steel Structures
Head Office and Works
Lachine Locks, P.Q.
P.O. Address, Montreal, P.Q.
Branch Office and Works
Amherst Ottawa Toronto
Winnipeg Calgary Vancouver
Sales Offices
Montreal Toronto Calgary Edmonton
Ottawa Winnipeg Regina Vancouver

PRINTING-plus

YOU may be getting good printing — we mean good paper, good presswork, and all that — but mere printing, no matter how high the quality, is not sufficient to sell your product today. It's the *plus* element in printing that creates sales.

MacLean's can give you high class printing—

Plus a fundamentally sound advertising and merchandising appeal.

Plus a humanized, dramatized appeal that forces interest — that produces sales.

Plus the creative service of internationally known experts.

Plus a 100% service from idea to finished production, including analysis, plan, copy, design, art, engravings, printing and mailing.

It's the plus element in MacLean's printing that makes it different — that makes it sell.

Direct Advertising & Printing Division
The MacLean Publishing Company, Limited
143 University Avenue
TORONTO

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING JANUARY 4

Range 1931 High	Low	Divd. Rate in $	Yield in % Jan. 2		Sales	Close Dec. 28 (or last)	Week Ending —Jan. 4— High	Low	Close
13¾	2½	.	...	Abitibi, c.	565	2½	3	2⅜	2⅝
50	6½	.	...	Do. pref.	185	8	7	6½	7
105	80	.	...	Do. pref.	....	80½	..	..	..
9	5½	.	...	Agnew Surp. c.	....	9	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
7½	2½	.	...	Alta. Pac. Gr.	....	7	..	..	..
30	10½	.	...	Do. pref.	....	30	..	..	..
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos	....	.25	..	..	..
2.00	.45	.	...	Do. pref.	....	2.00	..	..	..
9	5	60c	11.4	Assoc. Brew.	100	5¼	5¼	5¼	5¼
70½	67	7	10	Do. pref.	....	70	..	..	..
10	3	.	...	Assoc. Can.	....	3	..	..	..
69	65	4+50	..	Assoc. Tele.	....	66	..	..	..
37½	12⅜	.	...	Atlan. Sugar	....	22½	..	..	..
105	79½	.	...	Do. pref.	....	92	..	..	..
175½	158½	10	6.1	Bk. Can. Nat.	....	164¾	..	..	..
303	235	12	5.1	Bk. Montreal	....	235	..	..	..
326	284	16	5.6	Bk. N. Scotia	....	284	..	..	..
238	213	12	5.6	Bk. of Toronto	....	213	..	..	..
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5½	3	.	...	Bathurst Pr.	....	3	..	..	..
5	1	.	...	Do. (B)	....	1	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	....	6	..	..	..
14	10	1	10	Beatty Bros. A	....	10	..	..	..
80	60	6	10	Do. pref.	50	60	60	60	60
8½	3	.	...	Beauharnois	35	3½	3½	3½	3½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	90	7	7.8	Do., pref.	....	90	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151½	119	8	6.7	Bell Telephone	163	119	119	119	119
4½	2	.	...	Biltmore Hats	....	2	..	..	..
65	45	7	15.5	Do. pref.	....	45	..	..	..
4	2	.	...	Bissell, T. E.	5	4	4	4	4
x97	88	.	...	Do. pref.	....	..	..	..	..
20	7	2	...	Blue Ribbon	20	7	8½	8½	8½
39½	27	3.25	12	Do. pref.	....	27	..	..	..
22½	14	2	11.6	Brant. Cd. pf.	....	17½	..	..	..
28½	7½	50c(d)	..	Brazilian Tr.	1121	10⅜	12¼	10⅜	10½
1.25	.25	.	...	Brewing Corp.	5	.50	.50	.50	.50
7½	2½	.	...	Do. pref.	....	2⅝	..	..	..
¾	¾	.	...	Brew. & Distil.	....	¾	..	..	..
16½	7⅜	80c	7.9	Brit. Amer. Oil	3861	9½	10½	9½	9¾
3½	½	.	...	B.C. Packers	140	1½	1½	1	1
22	5	.	...	Do. pref.	20	5	6½	6½	6½
42½	26	2	7.7	B.C. Power	7	26	26	26	26
18	7	.	...	Do. (B)	135	8	8½	8	8½
2	1	.	...	B.E. Steel	....	1½	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1½	.	...	Do. 2nd pref.	....	2½	..	..	..
8	4½	.	...	Bruck S. Mills.	....	4½	..	..	..
26	15½	2	11.1	Building Prod.	48	18	18½	17½	17½
44½	29½	3	9.8	Burt, F. N.	100	30	30½	30	30
146	137	6	4.4	Calgary Pr.	....	137	..	..	..
7½	2¾	.	...	Can. Bread	....	2¾	..	..	..
100	87	7	7.4	Do. pref. (A)	....	95	..	..	..
80	55	2	3.6	Do. pref. B.	....	55	..	..	..
13½	7	1	12.7	Canada Bud	245	7¾	8	7	7
18¾	5	.	...	Can. Cement	1952	6	8	5	6½
96½	63	6.50	9.8	Do. pref.	53	66	66½	65½	65½
b45	10⅜	1.20	10	Canada Dry	5100	10½	12	10⅜	10½
12	10	.	...	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	60	3	5	Canada Iron	....	60	..	..	..
80	75	6	7.5	Do. pref.	....	80	..	..	..
650	630	20	...	Canada Life	....	630	..	..	..
16½	10⅞	1.50	12	Can. Malting	160	12½	12⅞	12	12
25½	15	80c	4.1	Can. Nor. Pr.	....	19½	..	..	..
107	104	7	6.6	Do. pref.	....	106	..	..	..
6	⅜	.	...	Can. Paving	....	⅜	..	..	..
51	10½	.	...	Do. pref.	....	10½	..	..	..
216	190	12	6.3	Can. Perman.	....	190	..	..	..
4.50	.50	.	...	Can. Pr. & Pa.	25	.60	1.50	1.50	1.50
9	3	.	...	Can. Steamsh's	....	3	..	..	..
27	8	.	...	Do. pref.	....	9	..	..	..
20	13½	1.60	11.4	Can. Vinegar	120	14	14	13½	14
70	54½	4	6.5	Can. W. Cable	....	61	..	..	..
30½	20	1	4.8	Do. (B)	....	20¾	..	..	..
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	31	.	...	Do. pref.	....	31	..	..	..
232	196	12	6.1	Can. Bk. Com.	64	196	196	191	191
36½	19	1.25	6.6	Can. Bronze	....	19	..	..	..
110	102	7	6.9	Do. pref.	....	102	..	..	..
13½	8	20c	2.5	Can. Canners	....	8	..	..	..
92½	80	6	7.5	Do. 1st pfd.	10	80	80	80	80
14	8½	68c	7.5	Do. 2nd pref.	25	9	9	9	9
19	4½	1	13.3	Can. Car & F'y	915	6¾	7½	6⅝	7½
25½	14⅝	1.75	10.6	Do. pref.	100	15	16½	15½	16
14½	6	.	...	Can. Celanese	....	6½	..	..	..
73½	59	7	10.8	Do. pref.	....	65	..	..	..
58	30	4	13.3	Can. Convert.	....	30	..	..	..
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	49	6	10	Do. pref.	30	51	60	60	60
36½	12	.	...	Can. Dredge	260	13	14	13	13
92	92	7	7.6	Do. pref.	....	92	..	..	..
81⅜	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
6	5¼	.	...	Can. For. Inv.	....	6	..	..	..
80	70	.	10.4	Do. pref.	....	77	..	..	..
300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
63½	54	3.50	6.4	Do. pref.	10	55	55	55	55
80	52	6	9.1	Can. Hyd. E. p.	10	66	66	66	66
5½	1½	.	...	Can. Ind. Alc.	102	1½	1½	1⅜	1½
3½	¾	.	...	Do. (B)	....	1	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	64½	5	7.7	Do. pref.	....	65	..	..	..
42	15	1	...	Can. Lt. & Pr.	....	25	..	..	..
18	1	.	...	Can. Locomo.	....	1	..	..	..
25	5	.	...	Do. pref.	....	5	..	..	..
b4½	⅜	.	...	Can. Marconi	8000	⅞	⅞	¾	¾
23½	9	1	10	Canadian Oil	....	10	..	..	..
120	95½	8	8	Do. pref.	....	100	..	..	..
45½	12¼	1.25	..	Can. Pacific	3532	14	14⅝	13¼	13⅜
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2	.	...	Can. Vickers	25	2½	2	2	2
35	16	.	...	Do. pref.	....	20	..	..	..
6	2	20c	8	Can. Wineries	....	2½	..	..	..
16	6	1	14.3	Can. Wire. Box	....	7	..	..	..
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+2	4.7	Cent. Can. L'n	....	300	..	..	..
5.35	1.50	10c	...	Chem Research	1210	2.00	1.95	1.80	1.90
20.25	6.00	30c(c)	..	Cities Service	10	6.00	6.00	6.00	6.00
10	3	.	...	Cockshutt Plow	185	4½	5	4½	5
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	3	.	...	Conduits	....	3½	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12⅞	6½	1	13.1	Cons. Bakeries	203	7½	7⅝	7½	7⅝
3	½	.	...	Cons. Food Pr.	388	½	2	¾	1
6	3	.	...	Do. (A)	....	3	..	..	..
18¾	5	.	...	Cons. Indust.	330	5½	5½	5	5
5	5	.	...	Consol. Paper	....	5	..	..	..
31	23	2	8.3	Cons. Press	....	23	..	..	..
80	50	7	14	Cons. Sand, pf.	....	50	..	..	..
188½	64	2.50†	3.7	Cons. Smelters	579	66	71½	65	66½
187	163	10	6.1	Consumers Gas	95	165	166	165	165
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	1	.	...	Cosgrave Br.	145	3½	3½	3½	3½
9	3	.	...	Cosmos Imp.	100	4	3½	3½	3½
93	65	7	10.8	Do. pref.	....	65	..	..	..
6½	2	.	...	Crown Dom. Oil	5	3	3	3	3
15	8½	3	...	Crow's N. Coal	....	10⅛	..	..	..
5	3	.	...	David & Fre. B	....	3	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
9	5	.	...	Disher Steel	....	5	..	..	..
10	10	1.50	15	Do. pref.	....	10	..	..	..
12⅛	5	1	17.4	Distill-Seagram	285	5½	5¾	5¼	5¼
223	204	12	5.9	Dominion Bank	....	204	..	..	..
55¾	27	3	11.1	Dom. Bridge	40	27	27	27	27
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer.	45	20	22½	20	22
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	82	5	6.1	Dom. Glass	....	82	..	..	..
125	119	7	5.6	Do. pref.	....	125	..	..	..
20	20	.	...	Dom. Iron, pf.	..	20	..	..	..
11¾	2½	40c	...	Dom. Motors	270	2½	3¾	3	3½
14	9	.	...	Dom. Pr. Stubs	....	9	..	..	..
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8½	1	.	...	Dom. St. & C.B.	325	2	2⅛	2	2⅛
24¼	13½	1.20+30c	8.3	Dom. Stores	433	17¾	18	17	17½
14	5	.	...	Dom. Tar & Ch.	35	5	5¾	5¾	5¾
123	120	7	5.8	Do., pref.	....	79½	..	..	..
83	63	5	7.9	Dom. Textile	....	63½	..	..	..
123	120	7	5.8	Do. pref.	....	120	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	1½	.	...	Dryden Paper	145	2	2	2	2
7½	3	.	...	Duff. Paving	....	5½	..	..	..
80	68	7	10.3	Do. pref.	....	68	..	..	..
25½	16	1	5	East. Dairies	....	20	..	..	..
20	16	50c	...	East. Steel	....	16	..	..	..
100	97	7	7.1	Do. pref.	....	98	..	..	..
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94½	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3¾	3¾	.	...	Easy Washer	....	3¾	..	..	..
37	34½	1.75	4.7	Economic Inv.	....	37	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	78⅜	6.50	8.3	Do. pref.	....	78⅜	..	..	..
8	5	.	...	Enam. & Heat.	....	5	..	..	..
40	20	3	15	Eng. Electric	....	20	..	..	..
16	2	.	...	Do. (B)	....	2½	..	..	..
39½	16	2	11.1	Fam. Players	....	18	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
18	8	1	11.1	Fanny Farmer	3	10	9	9	9
34	27	2.40	8.9	Do. pref.	....	27	..	..	..
x.25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29½	10½	.	...	Ford Motors A	1155	11½	11½	11	11⅛
15	5	.	...	For. Pr. Secs.	....	5	..	..	..
16½	8½	1	11.1	Foundation Co.	....	9	..	..	..
3	½	.	...	Fraser Cos.	175	1	1½	1	1½
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost Steel	....	7	..	..	..
96½	85	7	8.2	Do. pref.	....	85	..	..	..
7½	1⅛	.	...	Gen. St. Wares	30	2½	2½	2½	2½
119	70	5	6.2	Goodyear Tire.	100	80	80	80	80
107⅞	80	7	8.7	Do. pref.	9	85	80	80	80
93½	93½	7	7.5	Gould Pumps p	....	93½	..	..	..
½	½	.	...	Gt. W. Saddlery	....	⅛	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	9.5	Gurd, Chas.	....	21	..	..	..
12⅞	5	.	...	Gypsum, Lime	20	5	5	5	5
20½	6¾	.	...	Ham. Bridge	....	7	..	..	..
80	63	6.50	10.1	Do. pref.	....	64	..	..	..
19	8	.	...	Ham. Cot., pf.	....	8	..	..	..
4½	1	.	...	Ham. U. Theat.	75	1	1	1	1
63	55	7	11.7	Do. pref.	....	60	..	..	..
12	2½	.	...	Hayes Wheel	30	3½	3½	2½	3
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	1	.	...	Hinde & Dauch	....	1½	..	..	..
75	75	..	...	Holt Renfrew	....	75	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	3	.	...	Honey Dew	....	3	..	..	..
59	38	7	18.4	Do. pref.	15	40	40	38	40
6	2½	.	...	H. Smith Pap.	425	2½	5	4	4½
45½	30	.	...	Do. pref.	40	32	40	40	40
22	15	2.40	11	Humberstone S	....	21½	..	..	..
23½	17	1.40+50	11	Hunt (A)	50	17	17	17	17
23½	18½	1.40+50	10.2	Do. (B)	....	18½	..	..	..
150	143	8	5.5	Huron & E. M.	....	144	..	..	..
29½	28	.	...	Do. 20% pd.	....	28	..	..	..
29⅞	8	.	...	Hydro-Electric	5	14	8	8	8
225	201	12	5.9	Imperial Bank	....	203	..	..	..
18⅜	8¾	50+50c	9.5	Imperial Oil	6959	9¾	10½	9¼	10
10½	8⅛	35+20c	6.2	Imperial Tob.	115	8⅛	9	8⅛	9
80	80	8	10	Inter. Coal, p.	....	80	..	..	..
29	9½	2a	...	Int. Hyd. E. A	....	9½	..	..	..
103	92	7	7.3	Inter. Mill., pf.	....	96	..	..	..
80	80	6	7.5	Do. Series (A)	....	80	..	..	..
20½	8½	20c	2.3	Inter. Nickel	11209	9½	9⅝	8¾	8¾
10	5	.	...	Inter. Paints	....	5	..	..	..
b10½	1⅞	.	...	Int. Pa & Pr A	700	1⅞	2	1⅞	1⅞
b6	½	.	...	Do. (B)	600	½	1	1	1
b4½	¼	.	...	Do. (C)	....	¼	..	..	..
b43½	6½	.	...	Do. pref.	4300	6⅛	7½	6¼	7½
15½	8½	1	...	Inter. Pete.	2044	11	11½	10¾	11
8	5	.	...	Inter. Power	....	5	..	..	..
73	56½	.	...	Do. pref.	....	57	..	..	..
45	5	.	...	Int. Util. (A)	235	8	7½	7	7
11	1⅞	.	...	Do. (B)	50	2	2	2	2
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	99¾	7	7	Do. pref.	....	100	..	..	..
5½	2½	.	...	Kelvinator	....	3	..	..	..
90½	73½	7	7.8	Do. pref.	....	90	..	..	..
x40	40	.	...	Kng. Ed. Hotel	....	..	..	..	..
24	5	.	...	Lake of Woods	695	6	6	5	5
101	82	.	...	Do. pref.	....	85	..	..	..
140	140	8	5.7	Landed Bank.	....	140	..	..	..
46	33	3	8.3	Laura Secord	20	35	36	36	36
16	8¾	1	10	Lindsay, C. W.	....	10	..	..	..
72½	65	6.50	9.7	Do., pref.	....	67	..	..	..
14¾	9½	80c	7.6	Loblaw (A)	47	10¼	10½	10	10½
14¾	9	80c	8	Do. (B)	10	10	10	10	10
x2¾	2¾	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	90	7	7.7	Do. pref.	....	91	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
10½	4⅜	.	...	Maple Leaf	....	4⅜	..	..	..
40	10	.	...	Do. pref.	100	20	20½	20½	20½
30	30	.	...	Do. pref. "B"	....	30	..	..	..
38	30	.	...	Marcus Loew's	....	38	..	..	..
73	70	.	...	Do. pref.	....	73	..	..	..
10½	1⅜	.	...	Massey-Harris	1620	4	4½	3¾	3⅞
22½	9⅛	60c	6.1	McColl Fron.	145	9⅞	9⅝	9⅞	9⅝
80	69½	6	7.9	Do. pref.	....	76	..	..	..
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do., pref.	....	..	..	..	..
40½	40	2	5	Mitchell, J. S.	....	40	..	..	..
105	104	7	6.7	Do. pref.	....	105	..	..	..
20	8	1	12.5	Mitchell, Robt.	10	8	8	8	8
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do., pref.	....	38	..	..	..
95½	83½	6	6.5	Montreal Cot.	....	92	..	..	..
102	98	7	7	Do. pref.	....	100	..	..	..
3½	2	.	...	Montreal Exhib.	....	2¾	..	..	..
20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
68½	38	1.50	3.9	Mont. L. & P.	237	38	38	38	38
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
60	48	3.20	6.3	Montreal Tele.	....	51	..	..	..
177	150	10	6.7	Mont. Trams.	5	155	150	150	150
17¾	8½	1	10	Moore Corp. c.	147	8½	10	9½	9½
108½	95	7	7.2	Do. (A)	....	97½	..	..	..
126	97½	7	7.2	Do. (B)	....	97½	..	..	..
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
3½	1½	10c	...	Muirheads	85	2	1½	1½	1½
10	6	75c	8.3	Do. pref.	....	9	..	..	..
35¾	23½	1.60	6.7	Nat. Brew.	12	24	24	24	24
35	27	1.75	5.6	Do. pref.	....	31	..	..	..
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	11½	2	16	Nat. Steel Car	50	12½	12½	12½	12½
360	250	14	5.5	National Trust	5	250	255	255	255
13	10	1	10	Niag. W. Weav.	....	10	..	..	..
36	32	3	9.4	Do. pref.	....	32	..	..	..
6.00	2.00	.	...	North Star Oil	....	2.75	..	..	..
4.95	4.00	35c	8.2	Do. pref.	....	4.25	..	..	..
x25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	4.3	Ogilvie Flour	....	185	..	..	..
130	116¾	7	6	Do. pref.	....	117	..	..	..
21	6⅛	60c	8.6	Ont. Eq. 10% p	77	7	7	6¾	7
120	113	6	5.1	Ontario Loan	....	117	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1½	¾	.	...	Orange Crush	....	¾	..	..	..
60	45	7	15.6	Do. (A)	....	45	..	..	..
5½	1	.	...	Do. (B)	....	1	..	..	..
110	90	6	5.7	Ott. L. H. & Pr	....	105	..	..	..
105½	102	6.50	6.3	Do. pref.	....	103	..	..	..
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅞	68	5	7.2	Page Hersey	....	69½	..	..	..
49	21½	2.50	...	Paramount	....	21½	..	..	..
35	30	.	...	Paton Mfg.	....	30	..	..	..
94	82	7	7.4	Do. pref.	....	94	..	..	..
¼	¼	.	...	Pelissiers	....	¼	..	..	..
30	25	.	...	Do. pref.	....	30	..	..	..
73	31	.	...	Penmans	....	33	..	..	..
101	93	6	6.2	Do. pref.	....	97	..	..	..
.75	.50	.	...	Perfec. Glass	50	.50	.50	.50	.50
29	16½	2	12.1	Photo Eng.	....	16½	..	..	..
40	10	.	...	Port Alfred. pf.	....	10	..	..	..
70	64	7	10	Porto Rico P. p	....	70	..	..	..
b38½	4	.	...	Postal Tele.	....	..	..	..	..
63½	35¾	2	5.5	Power Corp.	....	36½	..	..	..
102	94	6	6.2	Do. pref.	....	97	..	..	..
4½	2½	.	...	Prairie C. Oil	....	2½	..	..	..
16	7	25c	3.6	Pressed Metals	10	7½	7	7	7
42¾	25	.	...	Price Bros.	....	25	..	..	..
99	70	6.50	9.3	Do. pref.	12	70	70	70	70
49	27	2	6.9	Quebec Power	....	29	..	..	..
110	105	7	6.7	Real Estate Ln.	....	105	..	..	..
3	1	.	...	Regent Knit.	....	1	..	..	..
10	5½	.	...	Reliance Grain	....	9	..	..	..
16	9	2	17.7	River. S. Mills	....	11	..	..	..
19½	10	1.50	15	Robinson Cone	5	10	10	10	10
16½	9	.	...	Rogers Majest.	....	9	..	..	..
291	231	12	5.2	Royal Bank	....	231	..	..	..
84	75	.	...	Ruddy, E. L. p.	....	75	..	..	..
77¾	32	2	5.7	Russell Motor	....	35	..	..	..
95	72½	7	9.6	Do. pref.	....	72¾	..	..	..
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36½	5	.	...	Serv. Station	235	5½	6	5	6
90½	45	6	13.3	Do. pref.	50	46	45	45	45
59½	32½	2	6.1	Shawinigan	35	33	33	33	33
30	20	1.60	6.7	Sher.-Wms.	....	24	..	..	..
121	112	7	6.1	Do. pref.	....	115	..	..	..
22	14	2.50	14.7	Simon & Son	....	17	..	..	..
92	88½	7	7.7	Do. pref.	....	91	..	..	..
92½	52	6.50	11.8	Simpsons Ltd.	111	55	55½	54¾	55½
44½	36	.	...	Do. (A)	....	36	..	..	..
35½	24½	.	...	Do. (B)	....	29	..	..	..
108	100	6	5.8	Simpson, Robt.	....	103	..	..	..
4	¼	.	...	St. Law. Corp.	156	1	1⅛	⅞	1
12	2½	.	...	Do. (A)	....	4	..	..	..
20	16	.	...	St. Law. Flour	....	16½	..	..	..
85	82	7	8.2	Do. pref.	....	85	..	..	..
30½	10	.	...	St. Law. Pap. p.	250	10½	11	10½	11
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22¾	1	3.4	South. Can. Pr.	....	29	..	..	..
106½	104	6	5.7	Do. pref.	....	105¾	..	..	..
16½	2½	.	...	St. Pav. & Mat	....	3	..	..	..
80	55	7	11.7	Do. pref.	....	60	..	..	..
1	1	.	...	Stanfords	....	1	..	..	..
15	5	1	...	Stand. Chem.	....	5	..	..	..
9⅞	2½	.	...	Stand. Steel	50	2½	2½	2½	2½
35	30	3	10	Do. pref.	....	30	..	..	..
42½	21	1.75	7.9	Steel of Can.	220	22	22	21¾	22
37	28¾	1.75	6	Do. pref.	30	29	29	28½	29
4½	2½	.	...	Sterling Coal	20	2½	½	½	½
32½	12¾	1	6.2	Super. Pet. ord.	85	15½	16	15	16
105	94	7	7.4	Do. pref.	....	95	..	..	..
31	14	1	6.7	Do. com.	....	15	..	..	..
49	41	.	...	Tamblyn	....	49	..	..	..
106	95	7	7.1	Do. pref.	....	98	..	..	..
30	17	3.50	18.4	Thayers, pref.	10	17	19	19	19
13	6½	.	...	Tip Top Tailors	....	7	..	..	..
90	77	7	8.4	Do. pref.	....	83	..	..	..
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	48½	.	...	Do. pref.	....	48½	..	..	..
15	9½	.	...	Tor. Elevators	....	11	..	..	..
235	210	12	5.6	Tor. Gen. Tr.	....	215	..	..	..
115	108	6	5.4	Toronto Mtge.	....	110	..	..	..
3	1	.	...	Traymore	....	1¼	..	..	..
12½	7	.	...	Do. pref.	....	7	..	..	..
130	120	7	5.5	Tuckett Tob. p	....	128	..	..	..
17½	2½	.	...	Twin City	....	3½	..	..	..
b62	11½	7	...	Do. pref.	....	..	..	..	..
45	28	.	...	Do. (notes)	....	35	..	..	..
16	4⅞	1	21	Union Gas.	167	5⅞	5	4½	5
101½	98	7	7	Union Trust	....	100½	..	..	..
8	3	.	...	United Fuel	....	6½	..	..	..
65	10	.	...	Do. pref.	25	17	15	15	15
62½	40	2	5	United Secs.	....	40	..	..	..
24½	8½	.	...	Viau Biscuit	....	9½	..	..	..
85	70	7	10	Do. pref.	....	70	..	..	..
30	10	.	...	Wabasso Cot.	....	14	..	..	..
8⅝	2¾	25c	9.1	Walker-Good.	2580	2¼	2¾	2½	2¾
7¾	2	.	...	Waterloo Mfg.	....	2½	..	..	..
45	30	1	2.6	Weston Bisc.	....	38	..	..	..
90	79	7	8.9	Do. pref	....	79	..	..	..
17½	6½	.	...	West. C. Flour	....	8	..	..	..
96	70	6.50	9.3	Do. pref.	....	70	..	..	..
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	17.5	Do. pref.	....	40	..	..	..
91	85	.	...	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can.	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	4	.	...	Winnipeg Elec.	100	5¾	6½	5¾	6½
81½	49	.	...	Do. pref.	....	50	..	..	..
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	.	...	Wood, Alex, J.p	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of ½ of 1% monthly.
d 4% in stock and 50c cash.
† Plus stock bonus.

Winnipeg Stock Exchange

December 31, 1931

	Bid	Ask		Bid	Ask
Beaver Fire	..	115	Monarch Life	..	32
Beaver Lumber c.	5¾	..	Nor. Can. Mtge. pf.	15	..
Can. Amer. Tr. shs.	..	3¼	Nor. Can. Mtge. c.	½	..
Can. Fire Ins.	..	85	Northern Trust	..	24
Can. Indemnity	120	..	Un. Gr. Growers	12½	13
Crescent Creamery pfd.	80	87	West Breweries	2	..
Gt. West Life	375	..	Fund. Trust shs. 'A'	..	4
Home Investment	..	50	Do., "B"	..	4½
			Grouped Inc. Shs.	..	4.59

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Alberta Wood Preserving, pref.	7%	1¾%	Jan. 2	Dec. 21
Amalgamated Elec., pfd.	6%	75c	Jan. 15	Dec. 28
Barrymore Cloth, pfd.	8%	2%	Jan. 2	Dec. 31
Beatty Bros. 1st pfd.	6%	1½%	Feb. 1	Jan. 15
Do., 2nd pref.	$7	$3.50	Jan. 2	Dec. 31
Do., com.	$1	25c	Feb. 1	Jan. 15
Bell Telephone	8%	2%	Jan. 15	Dec. 23
Brantford Cordage, pfd.	8%	2%	Jan. 15	Dec. 20
B. C. Power "A"	$2	50c	Jan. 15	Dec. 31
Belding Corticelli, c.	7%	1¾%	Feb. 1	Jan. 15
B. C. Telephone, pfd.	6%	1½%	Jan. 1	Dec. 15
Do., 2nd pref.	6%	1½%	Feb. 1	Jan. 15
Calgary Power, pref.	6%	1½%	Feb. 1	Jan. 15
Can. Southern Rly.	$3	$1.50	Feb. 1	Dec. 28
Can. Fire Insurance	$4	$2+1	Jan. 2	Dec. 23
Canada Dry	$1.20	30c	Jan. 15	Jan. 2
Canadian Car, c.	$1	25c	Feb. 29	Feb. 15
Canada Bud Breweries	$1	25c	Jan. 15	Dec. 31
Can. Fairbanks-Morse pfd.	6%	1½%	Jan. 15	Dec. 31
Canada Northern Power	80c	20c	Jan. 25	Dec. 31
Do., pref.	7%	1¾%	Jan. 15	Dec. 31
Canadian Car, pref.	$1.75	44c	Jan. 11	Dec. 26
Consolidated Smelters	...	$1.25+5%†	Jan. 15	Dec. 23
Crescent Creamery, pfd.	7%	1¾%	Jan. 15	Dec. 31
Can. Bronze	$1.25	31¼c	Feb. 1	Jan. 20
Do., pref.	7%	1¾%	Feb. 1	Jan. 20
Canadian Dredge, pref.	7%	1¾%	Feb. 1	Jan. 15
Can. Industries pfd.	7%	1¾%	Jan. 15	Dec. 31
Do., com.	...	62½c+$1	Jan. 30	Dec. 31
Can. Light & Pr.	...	½%	Jan. 15	Dec. 31
Can. Foreign Invest., pfd.	8%	2%	Feb. 1	Jan. 15
Cities Service, com.	30c	2½c	Feb. 1	Jan. 15
Do.,	6% stk.	½% stk.	Feb. 1	Jan. 15
Cons. Oka Sand, pfd.	7%	1¾%	Jan. 2	Dec. 21
Dominion Tar, pref.	6½%	1⅝%	Feb. 1	Jan. 6
Dome Mines	$1	25c	Jan. 20	Dec. 31
Dominion Textile, pref.	7%	1¾%	Jan. 15	Dec. 31
English Electric "A"	$3	75c	Jan. 15	Dec. 31
Eastern Theatres, pfd.	7%	3½%	Jan. 30	Dec. 31
Eastern Dairies	$1	25c	Feb. 1	Jan. 15
Do., pref.	7%	1¾%	Jan. 15	Dec. 31
Foreign Pr. Secs. pfd.	6%	1½%	Feb. 15	Jan. 31
Foundation Co.	$1	25c	Feb. 15	Jan. 30
Guarantee of N. Amer.	...	3+5%	Jan. 15	Dec. 31
Granby Cons.	50c	12½c	Feb. 1	Jan. 15
Howe Sound	$2	50c	Jan. 15	Dec. 31
Hamilton Bridge, pfd.	6½%	1⅝%	Feb. 1	Jan. 15
International Nickel, pref.	7%	1¾%	Feb. 1	Jan. 2
Inter. Utilities prior pfd.	$7	1¾%	Feb. 1	Jan. 15
Do., Series	$3.50	87½c	Feb. 1	Jan. 15
Do., pfd. 1931 Series	$1.75	43¾c	Jan. 15	Dec. 30
Imperial Bank	12%	3%	Feb. 1	Dec. 31
Inter. Hydro Elec. pfd.	$3.50	87½c	Jan. 15	Dec. 28
Do., Class "A"	$2	‡50c	Jan. 15	Dec. 28
Invest. Foundation, pfd.	$1.50	38c	Jan. 15	Dec. 31
Mansfield Theatres pfd.	7%	3½%	Jan. 30	Dec. 31
MacKinnon Steel pref.	7%	1¾%	Feb. 1	Jan. 15
Montreal L. H. & Pr.	$1.50	38c	Jan. 31	Dec. 31
Montreal Telegraph	8%	2%	Jan. 15	Dec. 31
Mitchell, Robt.	$1	25c	Jan. 15	Dec. 31
McColl Frontenac, pref.	$6	$1.50	Jan. 15	Dec. 31
McLeod Oils	...	5c	Jan. 25	Jan. 5
Montreal Tramways	$10	$2.50	Jan. 15	Jan. 7
Monarch Mtge. & Inv., pfd.	8%	2%	Jan. 15	Dec. 31
Northern Ont. Power	$2	50c	Jan. 25	Dec. 31
Do., pref.	6%	1½%	Jan. 25	Dec. 31
National Biscuit, com.	$2.80	70c	Jan. 15	Dec. 18
N. B. Telephone, com.	80c	20c	Jan. 15	Dec. 31
Penmans, pref.	6%	1½%	Feb. 1	Jan. 21
Power Corp., pref.	6%	1½%	Jan. 15	Dec. 31
Do., non-cum. pfd.	6%	1½%	Jan. 15	Dec. 31
Power Corp., com.	$2	50c	Feb. 20	Jan. 30
Piggly Wiggly (Can.) pf.	$7	$3.50	Jan. 9	Dec. 31
Quebec Power	$2	50c	Jan. 15	Dec. 23
Russell Motor Car	2%	½ of 1%	Feb. 1	Dec. 31
Do., pref.	7%	1¾%	Feb. 1	Dec. 31
South Can. Power com.	$1	25c	Feb. 15	Jan. 30
South. Can. Power pref.	6%	1½%	Jan. 15	Dec. 19
Steel of Canada	7%	1¾%	Feb. 1	Jan. 7
Do., pref.	7%	1¾%	Feb. 1	Jan. 7
Shawinigan W. & Pr.	$2	50c	Jan. 11	Dec. 18
Toronto Elevators pref.	7%	1¾%	Jan. 15	Jan. 2
Teck Hughes	60c	15c	Feb. 1	Jan. 16
Tuckett Tobacco, pref.	7%	1¾%	Jan. 15	Dec. 31
United Bond & Share c.	80c	20c	Jan. 15	Jan. 5
United Securities	$2	50c	Jan. 15	Dec. 31
Waterloo Trust & Sav.	$7	$3.50	Jan. 2	Dec. 31
West. Can. Mtge., com.	$4	$4	Jan. 10	....
Western Grocers, pref.	7%	1¾%	Jan. 15	Dec. 20

†Plus stock dividend of one share for every twenty shs. held.
‡Or payable in stock 1/50 of a share.

Dividends Passed or Deferred:

Can. Dredge, com., Feb. 1, passed. Last paid 75c., Nov. 2, 1931.

International Utilities "A" Jan. 15, deferred. Last paid 87½c. Oct. 15, 1931

Marcus Loew's pref. Jan. 15, passed. Last paid $3.50 July 15, 1931

Penmans, com., Feb. 15, deferred. Last paid Nov. 16, 1931.

Dairy Corp., 6% pref. Jan. 1, deferred. Last paid 1½%, Oct. 1, 1931.

Silverwoods, com. and Class "A" Jan. 2, passed. Last paid 12½c. Oct. 1, 1931.

Consolidated Industries Feb. 1, passed. Last paid 20c. Nov. 2, 1931.

Dividend Rate Reduced:

Can. Bronze c. 31¼c. Feb. 1. Reduced from $2.50 to $1.25 per annum.

Granby Consolidated 12½c. Feb. 1. Reduced from $1 to 50c. per annum.

Canada Dry 30c. Jan. 15. Reduced from $3 to $1.20 per annum.

Can. Car, com., 25c. Feb. 29, reduced from $1.75 to $1 per annum.

Can. Wineries 5c. Jan. 15. Reduced from 50c. to 20c. per annum.

Quebec Power, 50c. Jan. 15, reduced from $2.50 to $2 per annum.

Russell Motor Car, com. ½ of 1% Feb. 1. Reduced from $3 to $2 per annum.

Extra Dividends:

Can. Industries, Jan. 30, $1 per share.

Active Current Bond Prices

January 4, 1932

	Bid	Asked	Yield
Dominion of Canada 5½/33	100.	100½	5.35
Dominion of Canada 5½/34	99.	99½	5.68
Dominion of Canada 5/43	97.	97½	5.25
Dominion of Canada 4½/46	89.	89¾	5.56
Dominion of Canada 4½/56	87.	88.	5.33
Dominion of Canada 4½/58	89½	89¾	5.35
C. N. R. (Dom. of Can. Guar.) 5/54	93.	94.	5.47
C. N. R. (Dom. of Can. Guar.) 4½/51	88.	89.	5.41
C. N. R. (Dom. of Can. Guar.) 4½/55	90.	91.	5.43
C. N. R. (Dom. of Can. Guar.) 4½/56	87¾	88¾	5.33
C. N. R. (Dom. of Can. Guar.) 5/69	96½	97½	5.16
Province of Ontario 4½/44	93.	94.	5.20
Province of Ontario 5/48	95.	96½	5.35
Province of Ontario (Hydro) 4½/70	88.	90.	5.37
Province of Quebec 4½/56	90.	93.	5.00
Abitibi Power & Paper 5/53	32.	38.	...
Argentine Gov't. (Ser. B) 6/58	42½	45½	...
Beauharnois Power 6/59	58.	63.	9.98
Bell Telephone Co. of Canada 1st, 5/57	98.	102.	4.85
Brazil, U. S. of, Ext. S. F. 6½/57	15.	17.	...
British Columbia Power 5/60	77.	82.	6.40
British Columbia Power 5½/60	85.	89.	6.35
British Columbia Telephone 5/60	88.	93.	5.50
Calgary Power 5/60	78.	83.	6.30
Calgary Brewing 5/42	98.	102.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	85.	89.	6.63
Canada Gypsum Lime & Alabastine 5½/48	62.	70.	9.15
Canada Northern Power Corp. 5/53	77.	80.	6.75
Canada Steamship Lines 1st & Gen. 6/41	30.	40.	....
C. P. R. Collateral Trust 5/54	85.	90.	5.80
C. P. R. Secured 4½/44 Notes	79.	84.	6.45
Chile Republic Ext. S. F. 6/60	11½	13.	...
Colombia Republic Ext. S. F. 6/61	24½	26.	...
Davies, Wm. 6/42	80.	90.	7.40
Dominion Canners 6/40	100.	104.	5.45
Dominion Square Corporation 6/48	60.	70.	9.00
Dominion Tar & Chemical 6/49	73.	77.	8.12
Dominion Textile 6/49	100.	105.	5.55
Duke Price Power 1st, 6/66	80.	90.	6.75
Eastern Dairies, Ltd., Conv. 6/49	88.	98.	6.20
Eaton, T. Realty 5/49	83.	88.	6.10
Famous Players 6/48	65.	75.	9.00
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	65.	75.	9.00
Fraser Companies 6/50	30.	40.	...
Gatineau Power, 1st Mtge. 5/56	77.	80.	6.68
Gatineau Power, S. F. Debs., 6/41	66.	70.	11.42
General Steel Wares 6/52	33.	40.	...
Howard Smith Paper Mills 5½/53	58.	65.	9.25
Harris Abattoir 6/47	90.	95.	6.50
Manitoba Power, 1st S. F. 5½/51	65.	75.	8.10
Maple Leaf Milling 5½/49	70.	78.	7.80
Massey-Harris, 1st Mtge. 5/47	66.	72.	8.30
MacLaren Quebec Power 5½/61	75.	82.	6.98
Montreal Coke, 1st S. F. 5½/47	90.	98.	5.70
Montreal Island Power 5½/57	87.	91.	6.22
Montreal Light, Heat & Power 5/51	98.	100.	5.00
Montreal Tramways, 1st Coll. Trust 5/41	91.	95.	5.70
Montreal Tramways Gen. Ref. 4½/55	70.	75.	6.60
Montreal Tramways 5/55	78.	82.	6.48
Moodie, J. R. 6/48	90.	95.	6.50
Ogilvie Flour Mills 6/32	99.	101.	4.95
Ontario Power Service 5½/50	57.	63.	9.80
Ottawa Valley Power 5½/70	87.	92.	6.10
Power Corporation of Canada 4½/59	65.	75.	6.45
Price Bros. 1st S. F. Ser. "A" 6/43	70.	75.	9.50
Quebec Power 1st Mtge. Coll. S. F. 5/68	90.	95.	5.30
Shawinigan Water & Power 4½/70	80.	85.	5.45
Shawinigan Water & Power 5/70	97.	100.	5.00
Simpsons 6/49	77.	85.	7.50
Southern Canada Power 1st, 5/55	90.	98.	5.15
United Securities Coll. Trust 5½/52	88.	94.	6.00
West Kootenay Power 5/56	86.	90.	5.75
Windsor Hotel 6½/43	94.	100.	6.50
Windsor Hotel 6/47	88.	94.	6.60
Winnipeg Electric 5/35	90.	100.	5.00
Winnipeg Electric 6/54	60.	70.	9.20

Foreign Exchange

	New York Funds High (Premium)	Low	Last Year High (Premium)	Low
Dec. 30	23½%	21½%	11-64	11-64
Dec. 31	21	17	11-64	5-32
Jan. 1	..	..	.....	.....
Jan. 2	20	18	11-64	5-32
Jan. 4	18½	18	11-64	5-32
Jan. 5	19	18¼	13-64	5-32

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Dec. 30	3.39½	3.91¾	5.08
Dec. 31	3.38¾	3.92⅜	5.08¾
Jan. 1	....	....	....
Jan. 2	3.40	3.92⅛	5.09¾
Jan. 4	3.37	3.92⅛	5.08½
Jan. 5	3.36⅜	3.92¾	5.08

FOREIGN EXCHANGE

Par		Dec. 22	Dec. 29	Jan. 5
5.26	Italian	6.21¾	6.26¾	6.03
23.80	German	28.98¾	29.34¾	28.17
13.90	Belgian	16.98	17.16	16.50
49.80	Japanese	49.41	45.91	42.70

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)

January 5, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.30	.60
Acadia Sugar pfd.	2.00	2.90
Allens Coll. pfd.	30.00	....
Allens Lond. pfd.	30.00	....
Andian N. Corp.	19.00	24.00
B. C. Pulp & Paper c.	1.50	4.00
B. C. Pulp & Paper 7% pfd.	20.00	....
Can. Biscuit pfd.	....	7.75
Can. & Dom. Sugar com.	17.00	19.00
Can. Machinery c.	5.00	7.50
Can. Machy. 7% pfd.	22.00	32.00
Can. Packers com.	12.00	16.00
Can. Packers 7% pfd.	80.00	87.00
Can. Starch pfd.	70.00	....
Can. Tea pfd.	54.00	....
Can. Wire & Cable pfd. W.W	86.00	93.00
Can. Celanese pfd	50.00	....
Can. Indus. c. 'A'	70.00	....
Can. Indus. c. 'B'	70.00	....
Can. Industries 7% pfd.	108.00	114.00
Can. Westinghouse	46.00	55.00
Chase, A. W. Units	30.00	37.00
Cons. Oka Sand & Gravel pfd.	50.00	....
Copeland Flour 6% pfd.	....	9.00
Dairy Corp. pfd.	....	65.00
Dodge Mfg. 'A' pfd.	5.00	...
Dodge Mfg. 'B' com.	.50	....
Dom. Foundries & Steel pfd.	52.25	58.50
Dom. Foundries & Steel com.	5.00	7.00
Dom. Manuf. pfd.	71.00	....
Dunlop Tire 7% pfd.	60.00	80.00
East. Car 6% pf	43.00	....
Fed. Grain pfd.	20.00	28.00
Goderich Elev. & Transit	14.00	16.00
Greening Wire 7% pfd.	80.00	88.00
Guar. Realty pfd.	35.00	42.00
Guelph Carpet Units	69.00	....
Harding Carp. pfd.	....	56.50
Inter City Baking com.	36.00	45.00
Internat. Prop. 'A'	....	27.00
Loew's London c.	.50	1.70
Loew's Lond. pfd.	2.75	5.00
M. & P. Stores pf.	....	95.00
Massey-Harris pf.	11.00	14.75
Morrow Screw Nut 7% pf.	94.00	98.00
Mount Royal Hotel Scrip	.60	1.50
Mount Royal Hotel com.	1.00	2.50
Mount Royal Hotel 6% pfd.	9.00	13.00
Nat. Grocers com.	.75	1.75
Nat. Grocers 2nd 7% pfd.	39.00	46.00
Paramount Oshawa com.	8.00	11.75
Prov. Paper pfd.	55.00	65.00
Rolland Paper pfd. W. W.	33.00	....
Standard Clay Products c.	10.00	....
Standard Fuel pfd. bonus	64.00	....
Supertest Petrol. "B" pfd.	16.00	....
Toronto Brick pf.	41.00	59.00
Tor. Carpet com.	112.00	....
Tor. Carp. 8% pf.	98.00	....
Tor. Elev. 7% pf.	60.00	70.00
Tor. Housing c.	21.00	31.00
United Amuse 'A'	13.75	....
West. Grain pfd.	18.00	23.00
Willards Choc., pf.	26.00	40.00
Insurance Stocks:		
Br. Amer. Assce.	23.00	....
Can. Life Assce.	450.00	510.00
Can. Nat. Fire	19.00	25.00
Can. Fire Ins.	75.00	85.00
Capital Life 20% pd.	10.00	15.50
Confederation Life 20% pd.	150.00	200.00
Continental Life 20% pd.	69.00	74.00
Crown Life	120.00	150.00
Dominion Fire	90.00	120.00
Dom. of Can. Gen. Ins.	165.00	205.00
Dominion Life 50% pd.	260.00	350.00
Excelsior Life 30% pd.	100.00	123.00
Federal Fire 25% pd.	23.25	....
Fidelity Insur. of Canada	....	72.50
Great West Life	360.00	410.00
Guarantee Co. of N. A.	241.00	....
Halifax Fire	8.00	14.00
Imperial Life	310.00	395.00
Manufac. Life	280.00	315.00
Monarch Life 10% pd.	18.50	25.00
National Life 25% pd.	110.00	125.00
Saskatchewan Life 10% pd.	9.00	15.00
Sovereign Life 25% pd.	25.00	30.00
Sun Life Assur.	400.00	550.00
West. Assur. Co.	23.00	30.00
Western Life 20% pd.	7.25	....
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	155.00	....
Can. Gen. Investments Ltd.	4.25	6.50
Chartered Trust	90.00	105.00
Debenture & Sec. com.	....	40.00
Debenture & Sec. pfd.	....	49.00
Eastern Can. Saving & Loan	115.00	134.00
Eastern Trust	130.00	153.00
Guelph & Ont. Inv. Par $50	51.00	58.00
Investment Founda'n Units	17.00	....
Lambton Loan & Savings	75.00	....
London & West. Trust	90.00	110.00
Midland Loan & Savings	16.50	....
Mtge. Disct. pfd.	3.50	4.50
Mutual Finance pf.	3.00	5.25
Mutual Finance c.	3.00	5.25
Premier Trust	67.00	....
Security Loan & Savings	95.00	120.00
Sherbrooke Trust	107.00	....
Sterling Trust	...	90.00
Trad. Finance pf.	32.00	42.00
Trad. Finance c.	....	3.00
Trusts & Guar.	....	72.00
Victoria Trust & Savings	160.00	....
Waterloo Trust & Savings	115.00	131.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	92.00	95.00
Calgary Pwr. pfd	70.00	80.00
Can. Light & Power c.	19.00	27.00
Can. West. Nat. Gas LH&P c.	19.00	....
Can. West. Nat. Gas LH&P pfd.	70.00	76.00
Great Lakes Pwr. pfd.	....	86.00
N. B. Pwr. 1st pf.	43.00	57.00
N. B. Tele. com.	10.00	13.50
N. S. L&P pfd.	....	81.50
Ottawa LH&P 6½% pfd.	....	103.00

Recent London Quotations:

Brewer Distillers	2s. 10½d.
Can. & For. Sec.	7s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	20s.
Do., 5% pfd.	55s.
Internat. Holdings	$1 1-16
Nfld. Pr. & Pap. deb. stk.	85
Trust & Loan of Can. (15s. pd.)	5s.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Ltd., Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
Alberta	4½	1 Oct., 1958	1 April	79.50	6.05
Alberta	5	1 July, 1943	1 July	91.39	6.05
Alberta	6	1 Apr., 1936	1 April	99.61	6.10
British Columbia	4½	1 Oct., 1953	1 April	84.69	5.75
British Columbia	5	15 Jan., 1948	15 Jan.	92.08	5.75
British Columbia	6	15 Aug., 1941	15 Feb.	101.50	5.80
Manitoba	4	1 July, 1947	1 July	80.00	6.00
Manitoba	5	2 June, 1959	2 June	86.61	6.00
Manitoba	5	15 June, 1943	15 June	91.78	6.00
New Brunswick	4½	1 June, 1948	1 June	90.76	5.35
New Brunswick	4¾	15 June, 1936	15 June	97.63	5.35
New Brunswick	6	1 Jan., 1936	1 July	102.17	5.45
Nova Scotia	4½	15 Nov., 1948	15 May	90.59	5.35
Nova Scotia	5	1 May, 1943	1 May	97.02	5.35
Nova Scotia	6	1 Nov., 1936	1 May	102.38	5.45
Ontario	4½	1 Sep., 1944	1 Mar.	93.00	5.25
Ontario	5	15 Oct., 1948	15 April	96.12	5.35
Ontario	6	2 May, 1936	2 May	101.97	5.50
P. E. I.	4	1 Apr., 1939	1 April	90.88	5.50
P. E. I.	4½	1 Oct., 1944	1 April	90.80	5.50
Quebec	4½	1 May, 1961	1 May	86.42	5.15
Saskatchewan	4½	1 Oct., 1944	1 April	85.78	6.10
Saskatchewan	5	1 Oct., 1950	1 April	87.72	6.10
Saskatchewan	6	1 Feb., 1936	1 Feb.	99.23	6.20
Cities					
Montreal	5	1 Sep., 1963	1 Mar.	93.94	5.40
Toronto	4½	1 Sep., 1954	1 Mar.	88.23	5.40
Vancouver	4	1 Aug., 1946	1 Feb.	80.40	6.00
Winnipeg	5	1 Mar., 1944	1 Mar.	90.88	6.05
Edmonton	5½	1 May, 1945	1 May	88.63	6.80
Calgary	5	1 Jan., 1943	1 July	85.80	6.80
Halifax	6	1 July, 1951	1 July	103.80	5.50
Saint John	5	15 Dec., 1950	15 June	94.15	5.50
Regina	4½	1 July, 1950	1 July	88.52	6.80
Victoria	5	21 July, 1945	21 Jan.	89.75	6.10
Quebec	5	1 June, 1948	1 June	98.35	5.15

Listed Bond Quotations

Week Ending January 4

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range 1931-32 High	Low
Abitibi, 1st mtge.	5	1953	15.00	†32	33½	33	78	33
Asbestos	5	1942	...	†65	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	†14	...	...	20	14
Do., gen. mtge.	6	1956	...	14	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	69¾	...
Can. Cottons	5	1940	6.48	...	...	...	91	88
Can. Forgings	6	1942	6.00	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	12	9	...	28½	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98½	...
Cedars Rapids	5	1953	4.92	†100	...	...	105	100
Dom. Canners	6	1940	...	...	...	...	x103	...
Dom. Coal	5	1940	5.29	...	...	...	98½	98
McNish	6	1948	...	2.00	...	...	3.25	2.25
Mex. L. & Pr.	5	1940	10.05	...	...	...	73½	70½
Mont. L. H. & P.	4½	1932	...	...	...	...	x100	98¾
Mont. Tr. 1st mtge.	5	1941	5.83	95	...	...	101½	90½
Mont. Tr. "A"	5	1955	6.77	82	79½	...	95½	78¾
Mont. Tr. G. & R. "B"	5	1955	6.78	...	...	...	95½	78¾
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	6.88	...	...	...	95½	78
N. S. Steel	5	1959	...	...	...	...	62⅜	59
Ogilvie Flour "A"	6	1932	5.35	...	...	...	100⅜	100
Do., "B"	6	1932	...	...	...	...	x100⅜	100
Do., "C"	6	1932	5.73	...	...	...	100½	...
Ont. Steel	6	1943	5.88	†100½	...	...	101	...
Porto R. Pr.	5	1936	7.95	...	...	...	93	88
Steel of Can.	6	1940	4.98	...	...	...	107½	106¾
Wayagamack	6	1951	...	41	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	91	...	...	99½	98¾
Toronto								
Canada Bread	6	1941	6.00	...	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	3.89	....	105.10	....	108.15	103.75
Victory Loan	5½	1933	5.35	....	....	....	105.25	99.75
Do.	5½	1934	5.69	....	99.37	98.87	105.30	98.38
Do.	5½	1937	4.70	....	....	....	112.40	104.25
Do., refund	4½	1940	5.57	....	....	....	102.12	94.00
Do., refund	5	1943	5.22	....	98.00	....	106.50	96.75
Do., refund	4½	1944	5.64	....	....	....	102.25	92.50
Do., refund	4½	1946	5.56	....	....	....	102.45	89.00
Do., renewal	5½	1932	5.17	....	....	....	103.00	98.85
Conversion Loan	4½	1956	5.33	....	....	....	102.00	91.00
Do.	4½	1957	5.44	....	....	....	102.75	91.65
Do.	4½	1958	5.35	....	....	....	104.65	88.37
Do.	4½	1959	5.40	....	....	....	104.70	89.00
Nat. Service Loan	5	1936	5.69	....	98.25	97.13	98.85	97.13
Do.	5	1941	5.39	....	98.00	97.13	98.63	96.63

†Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Consideration Given Stock Exchange Merger Toronto and Standard

Union Urged in Order to Create Canada's Largest Security Market

DIFFER ON TERMS

Toronto Has Most Assets But Mining Brokers Earn Most at Present; Split Commissions

If Toronto Stock Exchange and Standard Stock & Mining Exchange amalgamate, the result will be the largest and most important stock exchange in Canada. Incidentally it would solve in quite another fashion than recently proposed the clash of interest which caused recent meetings of Exchange members to pass on a proposal that the Standard Stock & Mining Exchange should take over all trading in mining stocks in Toronto except International Nickel and Consolidated Mining & Smelting Co., while the Standard in turn, was to agree to leave to the Toronto Stock Exchange trading in such stocks as Imperial Oil and International Petroleum Co. and all industrials.

Answers to enquiries addressed by a representative of The Financial Post to members of both exchanges indicate that proposals for delimiting the various classes of stock to be dealt with on each exchange have no chance of acceptance. It is stated that opposition of an important nature developed on both exchanges. Proposals for a merger, however, have been given a real hearing though so far representatives of the two exchanges are quite far apart in their ideas.

Liquidate and Reorganize

Toronto Stock Exchange members have represented that they should enter such a merged exchange on a better basis than Standard Stock & Mining members because they have much greater assets as an exchange including cash of about $135,000. Standard members retort that during the depression the mining brokers have been the largest earners and that therefore the Toronto Stock Exchange members have more to gain from a merger than they have. Toronto members further argue that this better earning situation may be only temporary and that over a long period membership in their exchange would prove most valuable.

Standard members have responded with a suggestion which they think is a reasonable solution to the difficulty: "You have the greater assets, it is true, on the Toronto Stock Exchange. Liquidate them and divide the result among your members, Standard can liquidate and divide its assets in the same manner. Then members of both exchanges can start even by each member putting up $2,000 which would provide at once for an entirely new exchange an exceedingly good cash resource for the future."

There has been a tendency among Toronto Stock Exchange members to stress the idea that membership on that Exchange carries at present a higher prestige. Standard members hotly deny that.

Firms Might Merge, Also

Some members on both exchanges who are strong for a merger argue that an opportunity exists now which may never recur, that a merger would at once place the merged Toronto and Standard Stock Exchanges in a powerful position which would attract trading from all over the Continent. They insist that the time has come to drop local jealousies and unite for the advantage which would come to both with union.

Opponents of merger believe that it is better to let well enough alone and that a union of exchanges would not be very effective unless it were followed by a union of houses affiliated with each exchange, each mining firm uniting with a house now connected with the Toronto Stock Exchange.

Advocates of union admit that some mergers of brokerage firms would undoubtedly occur and that distinct advantages to uniting firms would come from an expert on mining stocks taking charge of all business dealing with mining stocks and the expert head of the Toronto Stock Exchange firm dealing with other securities. Such mergers would save money, they urge, through the cutting out by merger of duplication of many costs. Even without house mergers they believe, however, that advantage would come from an exchange merger.

Montreal Will Split Commissions

The matter promises to be brought to a head one way or the other by the reported decision of Montreal Stock Exchange to split commissions with members of the Standard Stock & Mining Exchange. The Toronto Stock Exchange has so far rigidly adhered to the idea that it is a foundation principle of a large exchange not to split stocks with non-members. The New York Stock Exchange follows that practice. Toronto Stock Exchange members have criticized Standard members severely in the past for splitting commissions with Canadian banks. The Toronto Stock Exchange would not do so and the result was that a tremendous lot of business originating in outside bank branches went to Standard members which otherwise the Toronto Stock Exchange might have shared in. The Toronto Stock Exchange has always refused to split with Standard members because of its iron-clad rule against split commissions. The decision of the Montreal Stock Exchange may force the hands of the Toronto Stock Exchange, but that has yet to be shown.

Any Canadian trading with New York has to pay an over-riding commission for the New York broker as well as the commission to the broker in Canada. New York will not split commissions but New York commissions are usually smaller than in Canada. It is possible that a united exchange would have as its first major declaration of policy to decide whether split commissions should be allowed or not.

Then would come the question of deciding what exchange floor would be used. Toronto Stock Exchange owns its present building but the exchange floor is not large enough for a doubled membership. The Exchange, however, a few years ago bought the next building to provide against any further need for expansion and the floor could be greatly enlarged, if necessary.

On the other hand, Standard Stock & Mining Exchange a few years ago moved into their present leased building and they now have the largest Exchange floor in Canada. It could accommodate twice as many members as at present and there is room for trading posts after the New York fashion to permit of the most diverse kind of trading.

Toronto Stock Exchange has not had a single insolvency since the stock market crash in 1929. A notable contribution to this result has been the continuous and thorough audit conducted under the auspices of G. T. Clarkson. Auditing and accounting charges and supervision from the department of the Attorney-General would be merged with union. Standard has a similar auditing system, but one would do if union came.

Proposal Submitted On Disability Clause

Life insurance companies have now received the conclusions and recommendations of the special committee of life officers with regard to the question of the disability income clause.

Although no information can be obtained from officials as to the substance of the committee's proposals, The Financial Post understands that the general tenor is favorable to abandonment of the disability income benefit, but retention of the waiver premium feature.

Establish Market for Herring

A new departure in the marketing of Pacific coast fish is the filleting of herring. One fishing company has now imported a filleting machine from England and the product is finding an increasingly popular demand in Vancouver.

ACADIA SUGAR HOLDS POSITION FOR PAST YEAR

Volume Slightly Lower, But Results Considered Satisfactory

From Our Own Correspondent

MONTREAL.—Acadia Sugar Refining Co. reports that its volume of business, both domestic and export, was somewhat smaller in 1931 than in the previous year, but that, on the whole, operations were satisfactory.

According to D. R. Turnbull, managing director, the market did not present any abnormal circumstances last year which made it possible to carry out marketing on a more stabilized basis. Furthermore, the importation of foreign refined sugars, due to the Government's action in preventing dumping, fell off materially, which proved a helpful factor in enabling Canadian refiners to obtain a larger share of the domestic market.

Prices generally had a downward tendency in 1931, with fewer changes than usual, and the average level was considerably below that of 1930.

No details are available as yet in respect to the volume of business handled by the company last year, but it is expected that earnings will compare favorably with those of 1930. In that year the company reported net earnings from operations of $466,934 and after the payment of bond interest and making provision for depreciation, there remained a net profit of $87,042.

Pay Preferred Dividend

Consequent upon improvement in earning power of the company, the management declared a dividend of 3 per cent on the preferred shares, payable on December 15, 1930. A second dividend of 3 per cent was paid on June 15, 1931. This stock, which carries a fixed cumulative dividend of 6 per cent, was in arrears from July 1, 1926 to the end of 1930, by which time they amounted to 24 per cent.

GOODYEAR REPORTS CASH POSITION UP

Liberal Allowance is Made For Reserves; Write Down Bonds

Goodyear Tire & Rubber Co. of Canada, Ltd., has earned its dividends in full, and has added to surplus in the fiscal period ended December 31, 1931, which includes 15 months of operation, according to a letter written by C. H. Carlisle, president and general manager, to shareholders of the company. During the past year liberal reserves have been set aside for depreciation of plant, goods and raw materials on hand, forward commitments, accounts receivable and depreciation on investment in Canadian government bonds. The book loss on the bonds is stated to be considerable but it is not expected that an eventual loss will be taken.

At the end of the period the company had $6,000,000 in government bonds and cash and $1,400,000 in accounts receivable after making liberal allowances for reserve. The company is stated to be in sound condition. The last balance sheet issued showed the position of the company at September 30, 1930, and at that time accounts receivable, after reserve, amounted to $2,369,798 and cash and call loans totalled some $4,500,000. The statement for the past fiscal period will be issued as shortly as possible.

While export and car manufacturers' business fell off materially in 1931, other domestic business has held up quite well. There are, as yet, no indications of any marked stability for 1932 business and the company is not therefore making any bonus payment on the stock. Bonuses were paid in 1928, 1929 and 1930.

Page-Hersey Tubes Earned Dividends

Page-Hersey Tubes Ltd. has fully earned dividends of $5 per share paid on the common stock during 1931 and the financial position of the company has been fully maintained, shareholders have been advised. These results have been secured "notwithstanding the heavy reduction in the consumption of iron and steel products during 1931 and the resultant falling off in sales occasioned thereby."

The company's fiscal year ended on December 31 and the annual report is usually available early in February. At the end of 1930 there were 174,132 shares of no par value common stock outstanding on which the company earned $10.33 per share. During 1931 the number of preferred shares outstanding was still further reduced. Practically all of these shares have been converted into common stock.

Page-Hersey Tubes plant at Welland, Ont., is in operation again after five weeks' shut down through a break-down in machinery. It is reported that the break-down did not materially affect operations.

Export business of the company has been increasing, particularly in Australia and New Zealand. Exports in 1931 were reported to have been ahead of those in 1930.

Silverwood's Dairies Dividends Are Passed

Silverwood's Dairies, Ltd. has passed payment of quarterly dividend on the class A and common stocks which is normally due on January 2. The regular quarterly dividend of $1.75 was paid on the preferred stock on January 2 to shareholders of record December 28. With the payment made on October 1, 1931, the dividend on the class A shares and common shares was cut from the former quarterly rate of 25 cents to 12½ cents.

In a statement issued during November it was stated that preferred dividend requirements would be earned nearly three times in the fiscal year which ends March 31, 1932. Directors had authorized the purchase and retirement of $40,000 of preferred stock, expected to be able to retire bank loans, and had reduced mortgages and outstanding bonds. The past year has been spent in consolidating operations.

Supertest Petroleum Experienced Best Year

Supertest Petroleum Corp. experienced the largest volume of sales in the history of the company during 1931 and net earnings will exceed those of 1930, according to a letter to shareholders from J. G. Thompson, president of the company. Some expansion was made during the year and the result of introduction of the new "Wonder" gasoline is stated to have been most satisfactory.

Canadian Quotations—Cont'd

Winnipeg Grain Prices

Week to January 5

Crop Year from Aug. 14 High	Low		Open Dec. 30	High for week	Low for week	Close Jan. 5
		Wheat				
.72¾	.51½	Dec.	.59⅞	.60	.58⅝	....
.76½	.55⅛	May	.63¼	.63⅞	.61⅛	.62⅞
.77¾	.61¼	July	.63⅜	.64½	.62½	.63⅜
		Oats				
.36½	.25⅛	Dec.	.29⅞	.30⅛	.28¾	....
.38	.28	May	.32⅛	.32⅛	.31½	.31¼
.37½	.31⅜	July	.32⅞	.32⅛	.31⅝	.32⅛
		Barley				
.45¼	.28⅛	Dec.	.38	.39⅜	.36⅞	....
.47⅞	.32½	May	.39⅛	.41⅞	.39⅛	.40⅜
.45½	.38½	July	.39⅞	.41	.39⅜	.39¾

Crop Year from Aug. 14 High	Low		Open Dec. 30	High for week	Low for week	Close Jan. 5
		Flax				
1.27	.92½	Dec.	....	.99⅛	.98	....
1.21	.97⅛	May	1.03½	1.05	1.01	1.02⅛
1.16½	1.00½	July	...	1.05	1.01¼	1.02½
		Rye				
.56	.32½	Dec.	....	.44⅞	.43½	....
.59⅛	.32⅛	May	.47⅜	.47⅛	.45½	.46⅜
.59	.43⅜	July	.48	.48⅛	.46½	.46⅝

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of January 5

High to date†	Low		Close Dec. 29	High for week	Low for week	Close Jan. 5
		Wheat				
.70½	.48	Dec.	.51	.55	.53	....
.72	.53¾	May	.55½	.57⅞	.55½	.56½
.60⅝	.53¾	July	.56	.58¼	.56½	.57½

†Since trading opened March 3.

Mining Stock Quotations

Week Ending January 4

Par Val.	Range 1931 High	Low	Company	Sales	Close Dec. 28 (or last)	High for week	Low for week	Close Jan. 4
1	.23	.02¾	Abana	1,200	.04	.05	.04	.04
1	.03	.01	Aconda	......	.01½	.....	.....	.....
1	.05½	.03½	Adrien	......	.04½	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.20½	.06½	Alexandria	30,500	.12	.12	.07	.08½
1	.05	.00½	Algonquin	6,500	.00¾	.00½	.00⅜	.00⅜
1	.02½	.01	Amity C.	......	.01	.....	.....	.....
No	.45	.12	Amulet	3,124	.22	.21	.20	.20
1	.02½	.00½	Apex	1,000	.00¾	.00½	.00½	.00½
1	.05	.01	Area	......	.01½	.....	.....	.....
1	.01	.00½	Argo. Cons.	......	.01	.....	.....	.....
No	.08½	.01½	Arno	8,000	.02	.02	.01½	.02
1	.01½	.01	Astoria	1,000	.01	.02	.02	.02
1	.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.08½	.03	Bagamac	500	.03½	.04	.04	.04
1	.02½	.00½	Baldwin	4,500	.00½	.00½	.00½	.00½
1	.19½	.08	Barry Hollinger	7,100	.09	.09½	.08½	.09
No	1.45	.75	Base Metals	......	.95	.....	.....	.....
No	.04	.00¾	Bathurst	......	.03	.....	.....	.....
5s	1.75	.60	B'Wana McKubwa	......	1.00	.....	.....	.....
1	.28	.26	Ben Nevis	......	.27	.....	.....	.....
No	.37½	.09	Bidgood	33,280	.11	.11½	.09	.10
1	.50	.08	Big Missouri	7,600	.15	.16½	.15	.16
1	.05½	.04½	Blue Quartz	......	.04½	.....	.....	.....
1	.12	.01½	Bobjo	11,000	.02½	.02½	.02½	.02½
No	.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.12	.01	Brett Trethewey	2,300	.07	.07	.07	.07
No	.12	.02½	Brownlee	17,500	.02½	.03½	.02½	.03½
1	.02	.00½	Buckingham	......	.02½	.....	.....	.....
No	.30	.19	Buffalo Can.	5,500	.23	.24½	.23½	.24½
No	.08½	.02	Bunker Hill	3,000	.02	.02	.02	.02
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.04	.01	Cambro Kirk	......	.04	.....	.....	.....
No	.05½	.02	Canam Metals	......	.02	.....	.....	.....
1	.06½	.01	Can. Kirkland	8,000	.02	.02½	.02½	.02½
1	.02	.02	Can. Lorraine	......	.02	.....	.....	.....
1	.32½	.05	Canusa	31,300	.06	.07½	.05	.07½
1	.04¾	.00½	Capital Rouyn	9,000	.01½	.01½	.01	.01
1	.30	.14	Castle Trethewey	7,500	.14	.16	.15	.15
1	.23	.03	Cen. Manitoba	4,000	.07	.07½	.07	.07
1	.17	.05	Cen. Patricia	2,300	.08	.08	.05	.07½
1	.03	.01½	Champion R.	......	.02½	.....	.....	.....
No	.59	.02	Chib. Prospect	6,000	.08	.07½	.07	.07
No	.08	.00½	Clericy	12,000	.01½	.01½	.01½	.01½
5	10.50	2.50	Coast Copper	175	2.75	2.90	2.55	2.90
1	.05½	.01	Cobalt Contact	9,700	.01½	.02	.01⅜	.02
1	.02	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	2,500	.06	.07½	.07	.07½
5	1.50	.50	Coniagas	......	1.00	.....	.....	.....
No	.62	.25	Coniaurum	1,710	.30	.40	.38	.40
25	188.25	64.00	Cons. Smelters	579	66.00	71.50	65.00	66.50
1	.40	.15	Cons. Venus	......	.40	.....	.....	.....
1	.01	.00½	Corona	......	.00½	.....	.....	.....
1	.02½	.00½	Crown Reserve	1,000	.01	.00½	.00½	.00½
No	.21	.03	Dom. Explorers	35,800	.06½	.08	.06½	.08
1	.03	.00½	Dom. Kirkland	......	.00½	.....	.....	.....
No	13.40	8.00	Dome Mines	3,015	9.25	9.75	9.30	9.30
1	.01	.00½	Don Rouyn	......	.01	.....	.....	.....
No	.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02½	.00½	Duprat	......	.01½	.....	.....	.....
1	1.68	.20	Eldorado	24,980	.92	1.18	.95	1.18
No	1.70	.90	Falconbridge	1,082	1.00	1.00	.98	.98
1	.08½	.02	Federal	......	.04	.....	.....	.....
No	.01½	.00½	Flintoba	......	.00½	.....	.....	.....
No	.30	.06	Gem Lake	13,100	.07½	.07½	.06½	.06½
No	.04½	.01½	Gilbec	......	.02	.....	.....	.....
1	.08	.01½	Goldale	2,000	.02	.02	.01½	.02
10	.25	.08	Goldfield	......	.11	.....	.....	.....
1	.01½	.00½	Gold Hill	......	.00½	.....	.....	.....
1	.11	.02½	Goodfish	......	.03	.....	.....	.....
1	.04	.00½	Graham	......	.00½	.....	.....	.....
No	2.30	1.09	Granada	3,600	1.09	1.12	1.10	1.11
1	.18	.06	Grozelle	16,395	.18	.20	.14	.20
1	.03	.01	Harker	......	.02	.....	.....	.....
	.39	.30	Harvey	100	.35	.30	.30	.30
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
No	.30	.29	Halliwell	......	.28	.....	.....	.....
1	.05	.00½	Hilltop	6,500	.01½	.01⅜	.01½	.01½
5	8.70	4.60	Hollinger	990	5.25	5.45	5.25	5.35
1	.40	.20	Howey Gold	4,400	.32	.34	.31½	.34
No	6.30	2.00	Hudson Bay	4,265	2.51	2.75	2.50	2.58
No	.40	.20	Huronian	......	.20	.....	.....	.....
No	20.50	8.12	Int. Nickel	11,209	9.50	9.87	8.75	8.75
1	.03	.00½	Jackson Manion	9,000	.01½	.01½	.01	.01½
1	.35	.21	Keeley	2,000	.28	.24	.23½	.23½
1	.04¾	.00½	Keora M.	16,000	.02	.02½	.01½	.01½
1	1.00	.27½	Kirk. Hud. Bay	500	.76½	.75	.75	.75
1	.03	.00½	Kirk. Hunton	5,000	.01⅛	.01⅛	.01⅛	.01⅛
1	.93	.38	Kirkland Lake	7,750	.51	.55	.50½	.50½
1	.08	.01	Kirk. Premier	3,000	.01½	.01½	.01½	.01½
1	.25	.05½	Kirk. Townsite	8,600	.13	.13	.12½	.13
20c	.02½	.00½	Koot. Florence	......	.00¾	.....	.....	.....
1	.02	.00¾	La Rose	......	.01	.....	.....	.....
1	.69	.38	Lakeland	400	.43	.42	.42	.42
1	29.95	20.00	Lake Shore	1,965	27.50	28.00	27.00	28.00
1	.02	.00½	Laval	1,000	.00½	.00½	.00½	.00½
1	.04	.01½	Lebel Oro	......	.02	.....	.....	.....
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	6,700	.38	.40	.37½	.40
1	.12	.02	Malartic	1,000	.03	.03½	.03½	.03½
No	.15	.05	Mandy	......	.05	.....	.....	.....
No	.06	.01	Manitoba Basin	6,000	.01½	.01½	.01½	.01½
1	.55	.20	McKinley	......	.35	.....	.....	.....
5	26.50	13.95	McIntyre	2,450	16.75	17.50	16.75	17.50
No	.33	.06	McLeod River	51,200	.06	.07½	.06	.06
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.03	MacMillan	......	.10	.....	.....	.....
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
No	2.84	1.10	Mining Corp.	900	1.30	1.40	1.35	1.40
1	.34	.01	Moffatt Hall	81,350	.07	.07½	.06	.07
1	.04	.02½	Moneta	......	.03	.....	.....	.....
1	.00½	.00½	Mtl. Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	12,500	.31	.33	.29	.30
1	.09	.01	Murphy	9,000	.01⅜	.02	.01⅜	.02
No	.07½	.02	Newbec	3,500	.03	.03	.03	.03
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	.09	.02	Night Hawk	......	.02	.....	.....	.....
5	1.90	.80	Nipissing	1,300	1.10	1.15	1.10	1.10
No	29.65	11.75	Noranda	7,223	15.00	15.75	15.00	15.05
No	.50	.18	Nor. Canada	2,000	.21½	.22	.21	.21
No	.03	.00½	Old Colony	......	.00¾	.....	.....	.....
1	.01	.00½	Ophir	......	.00½	.....	.....	.....
1	.10½	.02	Oriole	1,000	.02½	.02	.02	.02
1	.21	.07	Osisko	......	.07½	.....	.....	.....
1	.25	.20	Parkhill	......	.24	.....	.....	.....
1	.15	.07	Patricia Dent	3,000	.11	.11½	.11	.11½
1	.05	.01½	Pawnee Kirk	2,000	.02	.02	.02	.02
No	1.61	.60	Pend Oreille	......	.82	.....	.....	.....
1	.04½	.00½	Pete. Cobalt	16,000	.01	.01	.01	.01
	.25	.18½	Phoenix Molybd.	......	.25	.....	.....	.....
1	.01½	.00½	Picard	......	.00½	.....	.....	.....
1	.02½	.00½	Porcupine Crown	......	.00½	.....	.....	.....
1	.03	.00½	Potter Doal	10,000	.01½	.01½	.01	.01
1	.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.99	.40	Premier Gold	5,700	.61	.62	.55	.57
1	.02½	.00½	Preston E. Dome	......	.00½	.....	.....	.....
No	.29	.15	Prospectors Air's	......	.15	.....	.....	.....
No	.25	.07	Quemont	......	.10	.....	.....	.....
1	.06	.00½	Ribago	6,600	.01½	.03	.01	.01½
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.01½	Ritchie	6,000	.01½	.02	.02	.02
1	.04	.00⅜	Robb Montbray	1,000	.00¾	.01	.01	.01
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.45	.25	San Antonio	100	.39	.30	.30	.30
1	.21	.10	Seven Troughs	......	.10	.....	.....	.....
1	1.25	.40	Sherritt Gordon	7,010	.65	.65	.61	.65
1	.71	.36	Siscoe	2,450	.52	.53	.51	.53
1	.18	.02	South Keora	......	.03	.....	.....	.....
No	.05	.01	Stadacona	1,500	.01⅜	.01⅜	.01⅜	.01⅜
1	.20	.03½	St. Anthony	1,500	.12	.12	.10	.12
No	.92	.35	Sudbury Basin	700	.42	.42	.40	.41
1	.03	.01	Sudbury Contact	3,000	.01⅜	.01	.01	.01
1	.03½	.00½	Sudbury Mines	6,000	.00½	.00½	.00½	.00½
No	.04¾	.01	Sudbury Nickel	......	.03½	.....	.....	.....
1	.19	.07	Sullivan	......	.10	.....	.....	.....
1	1.14	.48	Sylvanite	12,960	.58	.60½	.58	.60
1	.20½	.04	Tashota	3,200	.06½	.05½	.05	.05½
1	8.65	4.51	Teck Hughes	12,720	4.68	5.00	4.70	4.95
1	.10½	.01	Telluride	......	.01	.....	.....	.....
1	.01½	.01	Temiskaming	......	.01½	.....	.....	.....
1	.06½	.02½	Thom. Cadillac	......	.02½	.....	.....	.....
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	......	.30	.....	.....	.....
No	2.66	.90	Treadwell	......	.90	.....	.....	.....
No	2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.15	.04	United Kirkland	500	.09	.08	.08	.08
1	.03	.01	Vacuum Gas	2,000	.01	.01	.01	.01
No	.86	.35½	Ventures	16,905	.48	.49	.46	.46
1	.19	.01½	Vickers	1,500	.14	.13½	.12	.13½
1	1.22	.37	Vipond	2,950	.42	.45	.42	.44
No	2.00	.65	Waite Ackerman	2,845	.80	.80	.65	.65
1	.02½	.01	West Tree	......	.01	.....	.....	.....
1	.27	.03½	White Lake	2,500	.03½	.03⅜	.03	.03
1	.06	.01½	Wiltsey	......	.01½	.....	.....	.....
No	.01½	.00½	Windfall R.	......	.01	.....	.....	.....
	.13	.03½	Wood Kirk	......	.04	.....	.....	.....
No	3.25	1.85	Wright-Hargreaves	11,485	2.72	2.93	2.70	2.87

WESTERN OIL STOCKS

Par Val.	Range 1931 High	Low	Company	Sales	Close Dec. 28 (or last)	High for week	Low for week	Close Jan. 4
1	.30	.12	Acme	16,100	.15	.16	.14	.16
1	1.89	1.00	Ajax	5,650	1.04	1.10	1.02	1.05
1	.37½	.05	Alta. Pacific	396	.10	.11	.10	.10
1	.08	.07	Amalgamated	......	.08	.....	.....	.....
	.01	.01	Askalta	......	.01	.....	.....	.....
No	.25	.04	Associated	......	.06	.....	.....	.....
No	.12	.02	Baltac	800	.03	.04	.04	.04
1	.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	100	.05	.06	.06	.06
No	.82	.20	Calgary & Ed.	500	.38	.40	.35	.40
1	.32	.03	Calmont	1,100	.06	.07	.07	.07
1	.47	.05	Comm. Pete	200	.08	.05	.05	.05
No	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.60	.12	Dalhousie	520	.20	.20	.20	.20
No	.08	.01½	Devenish	......	.01½	.....	.....	.....
No	.12	.01½	Dome Oil	......	.02	.....	.....	.....
No	.69	.05	East Crest	1,750	.12	.12	.10	.12
1	.05	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	.60	.05	Foothills	100	.10	.08	.08	.08
No	.18½	.02	Freehold	500	.04½	.03½	.03½	.03½
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.17	.03	Hargal	725	.04	.05	.04	.05
No	.10	.03	Herron Pete	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	......	.05	.....	.....	.....
No	2.00	.30	Home	300	.40	.40	.40	.40
No	.22	.02½	Homestead	......	.04½	.....	.....	.....
1	1.70	.35	Homest'd O. & G.	3,400	.40	.45	.40	.40
	.10	.09	Hylo	......	.09	.....	.....	.....
1	.08½	.00½	Illinois Alta	2,470	.00¾	.01	.00½	.00½
No	.70	.10½	Lowery	......	.18	.....	.....	.....
1	.05	.00½	Madison	1,350	.01½	.01½	.01½	.01½
1	.85	.12	Mayland	50	.15	.15½	.15½	.15½
No	.11	.02½	McD. Segur Ex.	550	.03½	.04	.03½	.04
1	.29	.01½	McD. Segur N.	25	.04	.04½	.04½	.04½
1	.72½	.25	McLeod	483	.45½	.50	.45	.46
No	.39	.07½	Mercury	2,200	.09½	.09½	.09	.09½
No	.20	.04	Merland	......	.05	.....	.....	.....
No	.38	.08	Mill City Pete	......	.11	.....	.....	.....
1	.49	.11	Model	200	.16	.16	.16	.16
1	.18	.02	Monalta	......	.07	.....	.....	.....
1	.31	.05	Moose Mountain	30	.05	.07	.07	.07
1	.04	.00½	New Federal	......	.00½	.....	.....	.....
No	.56	.10	Nordon	18,400	.11	.13	.10½	.11
No	.11	.02	Oil Selection	2,000	.03½	.03½	.03½	.03½
No	.28	.03	Okalta	2,000	.05	.05	.05	.05
100	27.00	8.00	Do., pref.	......	9.00	.....	.....	.....
No	.24	.05	Olga Gas & Oil	10,600	.16	.16	.14	.16
No	.28	.01	Penn. Pete	37,000	.01½	.02	.01½	.02
1	.37½	.17	Petrol	2,200	.21	.24	.18	.22
No	.25	.07	Ranchmen's	600	.10	.10	.09	.09
1	.05	.01	Regent	1,300	.01	.01	.01	.01
No	.43	.01½	Richfield	......	.02½	.....	.....	.....
No	17.75	5.00	Royalite	55	6.50	6.50	6.40	6.40
1	.82	.10	Sarnia Oil	......	.12	.....	.....	.....
1	.06½	.01	Signal Hill	3,100	.03	.03	.02	.03
No	.27	.05	South West Pete	......	.10	.....	.....	.....
1	.60	.12	Spooner	625	.17	.20	.20	.20
No	.19	.04½	Sterling Pacific	1,700	.11	.12	.09	.10
	.15	.15	Turner Basin	......	.15	.....	.....	.....
1	.16	.05	Turner Valley	......	.10	.....	.....	.....
No	.31	.05	United	......	.07	.....	.....	.....
1	.15½	.05	Vulcan	......	.10	.....	.....	.....
No	.05	.00½	Wainwell	......	.00¾	.....	.....	.....
1	.28	.08	Waite Valley	......	.08½	.....	.....	.....

VANCOUVER STOCK EXCHANGE
(Transactions for Week to December 30)

Par Val.	Range 1931 High	Low	Company	Sales	Close Dec. 28 (or last)	High for week	Low for week	Close Jan. 4
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
20c	.07½	.01	Beaver Silver	500	.05	.04	.04	.04
25c	.06	.00½	Bluebird	......	.02½	.....	.....	.....
25c	.80	.40	B. C. Silver	......	.40	.....	.....	.....
25c	.02	.00½	Cork Province	......	.01	.....	.....	.....
1	.30	.06	Cotton Belt	1,000	.08	.06	.06	.06
1	.03	.02	Dalhousie	......	.02½	.....	.....	.....
1	.04	.02	Dunwell	......	.02	.....	.....	.....
1	.10	.02	Duthie	......	.02½	.....	.....	.....
1	.90	.39	George Cooper	......	.50	.....	.....	.....
50c	.05	.01	Geo. Enterprise	......	.02	.....	.....	.....
1	.05½	.01½	Georgia River	38,000	.02½	.03½	.02½	.03½
1	.45	.17	Golconda	......	.25	.....	.....	.....
50c	.10	.03	Grandview	1,400	.06	.07	.06	.06
No	27.50	17.00	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.09	Intern. Coal	......	.11	.....	.....	.....
1	.02	.01	Independence	......	.01½	.....	.....	.....
1	.02	.01	Indian Mines	......	.02	.....	.....	.....
1	.43	.22	Jack Waite	......	.25	.....	.....	.....
25c	.02	.00½	Kootenay King	......	.01	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.13½	.06	Lorne Gold a	42,400	.11½	.13½	.11½	.13½
1	.12	.12	Los Ang. Van	......	.12	.....	.....	.....
10c	.05	.01½	Lucky Jim	250	.03	.03	.03	.03
2.50	.01	.00½	Marmot Gold	......	.00½	.....	.....	.....
5c	.09	.07	Metaline Metals	2,000	.09	.09	.09	.09
1	.05	.01	Morton Woosley	1,250	.02½	.01½	.01½	.01½
50c	.05½	.01	National Silver	7,000	.02½	.02½	.02½	.02½
50c	.10½	.03	Noble Five	4,700	.07	.07½	.06½	.06½
50c	.12½	.02	Oregon Copper	5,000	.02	.02	.02	.02
1	3.60	1.23	Pioneer Gold	11,330	3.00	3.60	2.95	3.40
No	.02	.00½	Premier Border	......	.01	.....	.....	.....
50c	.13	.03	Porter Idaho	500	.08½	.08	.08	.08
No	.55	.20	Reeves McDonald	......	.30	.....	.....	.....
1	.28	.11	Reno Gold	2,000	.20	.21½	.21	.21½
1	.04	.01	Rufus Argenta	......	.01	.....	.....	.....
1	.09	.03½	Ruth Hope	250	.06	.05	.05	.05
1	.07½	.03	Silverado	1,000	.04	.04	.04	.04
25c	.04½	.00½	Silver Crest	......	.02	.....	.....	.....
50c	.05	.00¾	Snowflake	......	.02	.....	.....	.....
1	.45	.25	Sunloch	......	.25	.....	.....	.....
50c	.02	.01	Topley Rich	......	.02	.....	.....	.....
5	.20	.05	Toric	......	.05	.....	.....	.....
20c	.01	.00½	Wellington	......	.01	.....	.....	.....
1	.08	.02	Whitewater	......	.05	.....	.....	.....
No	.03½	.00½	Woodbine	......	.01	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.75	Noranda	50c.	3.32
Dome Mines	$1	10.75	Premier	12c.	....
Granby	50c.	....	Pioneer, B.C.	12c.	3.52
Hollinger	65c.+5	13.08	Royalite	50c.	....
Howe Sound	$2	....	Spooner Oils	6c.	....
Inter. Nickel	20c.	2.28	Sylvanite	4c.	....
Lake Shore	$2+50c.	8.92	Teck Hughes	60c.+5	13.13
McIntyre	$1	5.73	Wellington Oil	5c.	....
McLeod Oils	5c.	....	Wright-Har	10+2½c.	4.35
Mercury Oil	5c.	....			
Model Oils	9c.	....			

a. Stock bonus 1 share for each 20 shares held.

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Canadian Mining News

MYSTERY GROUP ARE BAD ACTORS IN GOLD STOCKS

Activities of Mysterious N. Y. Financiers Nearing End

GOVERNMENT BUSY

Mines Financed By Group Find Funds Inadequate For Any Real Programme

Recent announcements that certain gold prospects are being financed by un-named New York interests are being received with scepticism and scoffing.

Throughout the past year there has been a veritable epidemic of announcements that this or that gold prospect would be financed by "New York interests." This vague phrase has been overworked and because many such vague promises have come to nothing, it now conveys nothing.

The Financial Post has for many months past criticized this mysterious method of "New York" financing which at best only put a few dollars into the treasury of struggling companies while providing a rich harvest for the promoters.

Making a Market

The method of operation in each case was substantially the same. A gold prospect, always gold since golds are decidedly in public favor, would have a block of its shares optioned at a rising scale of prices to a New York group, which would immediately set about to make a market for the stock and artificially maintain a market value on the exchanges far above that prevailing in normal trading.

For the most part these spurious markets were easily detected by even a casual observer as they invariably were accompanied by heavy turnover of daily sales, sales controlled by the New York interests to maintain artificially a high market value.

The option agreements invariably started with prices of a few cents and by the aid of the artificial market were fed out to the public at a handsome profit to the promoter. When the public was loaded to the saturation point and would no longer absorb shares at such prices, the option was dropped with the result that the promoter had secured a block of the cheap stock under his option and made a handsome profit. The treasury of the company seeking finances received a few thousand dollars, insufficient for any conclusive development programme, after which it was left high and dry to make some new financial arrangement.

Government After Promoters

The past year has been a particularly profitable one for operators of this nature, but indications point, due to the activity of the Frauds Prevention section of the attorney-general's department of Ontario, that such activity will meet with greater resistance in the future.

New York has been an important source for capital for many Canadian mines and will doubtless be the source for much of the capital required for the future. Most of these financing groups, however, are composed of important mining men who are interested in seeing a property developed to conclusion, men who have a real interest in mining and are willing to risk their capital on a legitimate mining enterprise of recognized possibility.

There is no record existing where the "mystery group" have been instrumental in bringing a property through to production.

There are those who will argue that finances raised by this group are providing a real service to small properties that cannot attract interest to investors in any other manner. While it is true that a few thousand dollars are generally provided to get development operations started, this development is used principally to stimulate interest in the shares and is followed by a deluge a propaganda and progress reports. The few thousand dollars that are raised do provide for limited activities but when consideration is given the enormous cost to the public of this method of financing, a true perspective is gained.

The effect on the prospect being financed is far-reaching in so far as it affects its future, because invariably when the option is dropped, development operations cease, and it is next to impossible to resuscitate public interest or refinance. Although the prospect may have a certain amount of merit its future is impaired because the resuscitating and refinancing of a prospect after such methods have proven next to impossibie.

Standard Exchange Elects 1932 Officers

G. W. Nicholson, formerly vice-president of the Standard Stock & Mining Exchange, has been elected president for 1932, by acclamation. Other officers elected by acclamation are: Frank O'Hern, first vice-pres.; Harry Hutson, second vice-pres.; and Hon. Manning Doherty, secretary.

The annual general meeting of the Exchange for the purpose of receiving reports and electing directors is expected to be held about the fifteenth of the month and the directors nominated include:

S. J. Crawford, retiring president; N. C. Urquhart, S. W. Macdonald, J. T. Cannon, J. M. Scott, Jr., and J. F. West. Five of the six above nominees are to be elected.

Metal Prices

New York—January 5—
Copper: Electrolytic spot, 7½c. lb.
London—January 5—
(Long Ton)
Copper:
Electrolytic spot, £45 10s; future, £47 10s.
Standard spot, £37 15s; future, £38 5s.
Tin: Spot, £137; future, £140.
Lead: Spot, £15 2s 6d; future, £15 2s 6d.
Zinc: Spot, £14 5s; future, £14 15s.
Silver: 20 7-16d. per ounce.

1931 Mineral Production Estimated at $227,769,000

A preliminary report by the Dominion Bureau of Statistics estimates the value of the mineral production in Canada, in 1931, as $227,769,000 as compared with $279,873,578, in 1930.

The drastic reduction in metal prices together with the decreased demand for both non-metallic minerals and structural materials was responsible for the decline. Gold production alone among the metallic minerals shows an increase. This increase is approximately 27½ per cent over the 1930 production and when final figures are available will doubtless swell the production close to 30 per cent.

The following tabulation shows the comparative figures of mineral production in Canada from 1910 to 1931 in five-year periods, also the official estimate of mineral production for 1931 compared with 1930:

Mineral Production of Canada, 1910-1931 in Five Year Periods

Years	Metallics $	Fuels & other non-metallics $	Clay products & other structural materials $	Total $
1910	49,438,873	37,757,158	19,627,592	106,823,625
1915	75,814,841	43,373,571	17,920,759	137,109,171
1920	77,939,630	108,027,947	41,892,088	227,859,665
1925	117,082,298	71,851,801	37,649,234	226,583,333
1930	142,743,764	83,402,349	53,727,465	279,873,578
1931 (x)	116,431,000	66,489,000	44,849,000	227,769,000

(x) Subject to revision.

Official Estimate of the Mineral Production of Canada, 1931-1930

		1930		1931	
		Quantity	Value $	Quantity	Value $
Metals					
Gold	oz.	2,102,068	43,453,601	2,679,728	55,395,000
Silver	oz.	26,443,823	10,089,376	20,403,771	5,984,000
Nickel	lb.	103,768,857	24,455,133	66,103,521	14,697,000
Copper	lb.	303,478,356	37,948,359	290,581,122	23,772,000
Lead	lb.	332,894,163	13,102,635	267,850,972	7,241,000
Zinc	lb.	267,643,505	9,635,166	236,861,153	6,019,000
Other metals		....	4,059,494	....	3,323,000
Total metals		....	142,743,764	....	116,431,000
Non-Metals					
Fuels					
Coal	tons	14,881,324	52,849,748	12,251,900	41,320,000
Natural gas	M. cu. ft.	29,376,919	10,289,985	26,874,600	9,645,000
Peat	tons	2,847	10,932	....	....
Petroleum	br's.	1,522,220	5,033,820	1,554,600	4,566,000
Total fuels		....	68,184,485	....	55,531,000
Other Non-Metals					
Asbestos	tons	242,114	8,390,163	162,278	4,611,000
Feldspar	tons	26,796	268,469	14,808	137,000
Gypsum	tons	1,070,968	2,818,788	842,192	2,018,000
Quartz	tons	226,200	418,127	140,788	282,000
Salt	tons	271,695	1,694,631	285,170	2,315,000
Talc and soapstone		....	186,216	....	165,000
Other non-metals		....	1,441,470	....	1,430,000
Total other non-metals		....	15,217,864	....	10,958,000
Clay Products & Other Structural Materials					
Clay products		....	10,593,578	....	8,626,000
Cement	brls.	11,032,532	17,713,067	10,017,331	15,722,000
Lime	tons	490,802	4,038,698	373,812	3,031,000
Stone, and sand and gravel		....	21,382,122	....	17,470,000
Total clay products & other structural materials		....	53,727,465	....	44,849,000
Grand Total		....	279,873,578	....	227,769,000

DRILLING TO LIME NOW PROHIBITED IN TURNER VALLEY

New Government Regulations Designed to Curb Gas Waste

The edict of the Alberta Government prohibiting the starting of any new wells in the Turner Valley field has been proclaimed. The new regulation states that after December 1, 1931, no well shall be drilled to the stratum, known as the dolomitic limestone, underlying any of the lands of Turner Valley described as follows:

Sections 27, 28, 33 and 34, in township 18, range 2, W-5.

Sections 3, 4, 5, 8, 9, 16, 17, 19, 20, 21, 29, 30, 31 and 32 in township 19, range 2, W-5.

Sections 25 and 26 in township 19, range 3, W-5.

Sections 6, 7 and 18 in township 20, range 2, W-5.

Sections 1, 11, 12, 13, 14, 15, 22, 23, 24, 26, 27, 33, 34 and 35 in township 20, range 3, W-5.

Sections 2, 3, 4 in township 21, range 3, W-5.

Drilling is permitted to the oil-bearing strata overlying the dolomitic limestone which has proved a source of a limited production of crude oil.

The new regulations are part of the government's conservation programme in an effort effectively to curb the gas waste ensuing when drilling is continued into the limestone formation from which the production of wet gas is obtained.

As exclusively announced in The Financial Post, recently, a huge merger of all the Turner Valley companies is in the offing, the merger designed to place the development of the Valley under expert direction and prevent exploitation beyond the economic limits dictated by the consumption of gas.

STERLING PACIFIC GETS BIG GASSER IN TURNER VALLEY

Final Well to Be Drilled By Imperial Oil Under Present Programme

Sterling Pacific No. 2 encountered a gas flow estimated at 20,000,000 cu. ft. daily, early last week. The well was drilled by Imperial Oil and is the last on this company's drilling programme in Turner Valley.

Production was encountered at a depth of 5,748 ft., being 286 ft. in the limestone. Official figures are not yet available, but reports give the well a capacity of close to 250 barrels of crude naphtha daily.

Considerable interest is attached to the well since it is located in the most southerly end of Turner Valley, approximately four miles south of the Home Oil wells.

Sterling Pacific Oil Co. was incorporated in 1928 with a Dominion charter and has headquarters in Vancouver. It has an authorized capitalization of 1,000,000 shares of no par value. The company is headed by W. J. B. Wilson, of Vancouver.

Consolidated Paper Sales Handled by St. Maurice

From Our Own Correspondent

MONTREAL.—Sales of the products of Canada Power and Paper Corp., and subsidiaries will be consolidated in the hands of St. Maurice Valley Paper Co. which company will ultimately handle all sales for Consolidated Paper Corp.

Notice has been sent out by Wayagamack Pulp and Paper Co., a division of Consolidated Paper Corp., that from January 2 all its existing orders and contracts have been assigned to St. Maurice Valley Paper and that Messrs. Hodge-Sheriff Paper Co. will continue as in the past to handle the sale of kraft pulp and kraft paper in Canada.

Prospecting for Oil Northwest of Toronto

Private interests have been drilling for oil in the vicinity of Englewood Ontario, about 40 miles northwest of Toronto. Some small pockets of gas are reported to have been encountered but drilling has not yet reached the horizon where oil is expected.

Several years ago some drilling took place in the same vicinity and a gas with a helium content was encountered. Professor J. C. McLennan of the University of Toronto, who had been making an exhaustive study on helium resources, reported on these wells and their helium content but they were not exploited in a commercial manner.

GRANADA ROUYN RECOVERS OVER $360,000 YEAR

Grade Averages About $11 Per Ton—Mill 100 Tons Daily

ROUYN.—The outstanding features of Granada Gold Mines for the year just completed were the high average rate of gold recovery maintained and the tendency for mineralization to increase further at the lower levels.

Up to December 31, 1931, the mill had treated approximately 32,700 tons of ore or close to 100 tons daily, for a gross output of slightly over $360,000. This showed actual average recovery of close to $11 per ton, including a considerable tonnage of low-grade ore from the development dump. Officials estimate the actual mine average is from $14 to $15 per ton.

Work centred largely at three levels, the 375, 500 and 625 ft., where a picture is presented of the increasing amount of ore at depth. For instance, work at and above the 375 ft. level provided only 3 per cent of the ore mined, whereas 32 per cent came from the 500 ft. level and with 57 per cent coming from the 625 ft. level. The remaining 8 per cent was taken from a winze which was put down from the 625 to the 775 ft. level.

Another feature is that at the close of 1931 over 700 ft. of lateral work had been done at the 775 ft. level. Some 300 feet of this was cross-cutting in lean ground, but over 430 ft. was in ore, which is estimated to carry an average of close to $20 in gold per ton.

No attempt has been made to estimate the ore reserves. However, the stopes embrace alone more than sufficient ore actually broken to maintain the mill in operation for at least four months, while the extension of work at the lower levels is adding steadily to the amount of developed ore.

The hydro-electric power line was finished from Rouyn to Granada and the new 15-drill compressor was installed in December which promises that the entire operation will have electric power not later than the middle of January.

A. P. W. Pulp Mill Operations Maintained

From Our Own Correspondent

MONTREAL.—A. P. W. Pulp and Power Co., kept its Sheet Harbor, N.S., plant operating at over 75 per cent of capacity throughout the past year, producing daily 75 to 100 tons of pulp. This is regarded as an exceptionally fine record in view of the declining market for groundwood pulp. Direct employment was given to 50 men in the mill, while indirectly, timber operations provided employment for a great many more.

BIG MISSOURI REPORTS WORK STILL ACTIVE

Shares Sold During Year Increase Cash on Hand

The annual report of the Big Missouri Mining Co. intimates that the annual report of the Consolidated Mining & Smelting Co. will give the results of the mill operation as well as of development work conducted in the past year at the Big Missouri mine. At the date of the report, December 14, 1931, exploratory work was being continued by diamond drilling and the future campaign of development necessary, according to the report, will be dependent on the findings by the operating company, the Buena Vista Mining Co., when the work is completed.

The Big Missouri Mining Co. is a Washington incorporation of 1925, which, through subsidiaries, is interested in several mining properties, chief interest centring about the Buena Vista Mining Co., in which it holds 47 per cent interest, the balance being held by the Consolidated Mining & Smelting Co.

Due to the low price of silver and lead, operations were discontinued at the Missouri Monarch Consolidated Mines, a subsidiary company operating a silver-lead property in the Spruce Mountain mining district of Nevada.

At the lead-zinc-silver property of the Brooklyn Consolidated Mines Co., in Granite County, Nevada, in which Big Missouri has a share interest, no regularly outlined campaign was carried out, although work during the year lends further encouragement at that property, according to the report.

The financial statement of the company as at November 30, 1931, showed cash and accounts receivable totalling $85,710 as against current liabilities totalling $5,640. The company's investments include 47 per cent interest in the common stock and $47,000 in bonds of the Buena Vista Mining Co., plus $3,000 in accrued interest; bonds of the Black Forest Mining & Smelting Co., valued at $10,000; common stock of the Brooklyn Consolidated Mines Co., valued at $7,000; common stock of the Missouri Monarch Consolidated Mines Co., valued at $130,000 and advances to the Missouri Monarch Consolidated Mines of $92,538.

The company has an authorized capitalization of $5,000,000 in $1 par value shares of which 4,565,000 are outstanding, indicating that 155,000 shares have been issued since the date of the last balance sheet, December 31, 1930.

The annual meeting of the company is called for January 12 at Tacoma, Washington.

Siscoe Drops Negotiations For Sullivan

Siscoe Gold Mines terminated negotiations with the Sullivan Gold Mines for the acquisition of its property in view of the difficulty of arriving at a satisfactory agreement, according to an official statement.

Officials state a new vein quite distinct from the present vein system has been discovered on the 600-ft. level in a long crosscut which is being driven west. The vein has been drifted on for about 100 ft. and assays are recently reported as encouraging. The strike of the vein is different to that of the present ore body. The diamond drilling campaign announced a short time ago is being started upon delivery of the three drills now en route to the property.

Gold production for 1931 totalled $743,747 exclusive of the premium, which is expected to be about $46,000 additional. This compares with $367,266 in 1930 and $307,404 in 1929. During December a recovery of $74,720 was made from 5,574 tons of ore treated or an average recovery of $13.60 per ton with a tailing loss of 20 cents per ton.

Tailings

Barry Hollinger reports the discovery of some high grade ore on the 1,875 ft. level. The find was encountered 40 ft. from a crosscut proceeding toward the Nos. 8 and 9 vein systems. At the point cut the ore was 6 ft. wide and assayed $37 per ton. The winze has been deepened to the 2,000 ft. horizon and lateral work started on that level.

* * *

Stewart-Abate Gold Mines has called an annual meeting of shareholders to be held in Toronto on January 20. The company owns a gold prospect east of Matheson, Ont., about two miles west of the Croesus mine.

* * *

Howey Gold Mines is now mining and hoisting approximately 900 tons of ore daily, which, after sorting, provides 750 tons of mill feed. Recovery is currently running close to $100,000 per month.

* * *

B. C. Silver Mines held its annual meeting on December 30, at which time the annual report for the year ended August 31, 1931, was presented. During the past fiscal year $43,739 was expended on development, bringing the total development expenditures to $721,628. Loans from the parent company, British Canadian Silver Corp., total $845,644.

* * *

Officials of Vipond Consolidated Mines deny the rumor that consideration is being given to closing down the mine. For the past several months an intensive development programme has been under way on the 1,450 ft. level and, while this work has been inconclusive to date, it will require the greater part of 1932 to determine the future programme. If success is met with in finding ore shoots of importance, operations will be carried to greater depths; if not, operations will continue until the known ore is extracted from the upper levels. No estimate of the ore reserves was given in the last report but on July 31, 1930, reserves sufficient for about 1½ years supply were reported. If no new ore was found, that would leave the current supply at low ebb.

Should Mining Profits Be Disbursed as Earned?

One of a Series of Articles on Results of Policies Followed by Leading Canadian Mines

No. 1, Nipissing Mines Co.

The activities of some established mining companies in financing properties and prospects over which they do not have control has raised a question as to the expediency of mining companies utilizing part of their earned surpluses to perpetuate their existence as mining enterprises instead of disbursing most of their profits to shareholders as dividends.

There is evident among shareholders a growing feeling, particularly at the present time, that the profits of a mining enterprise should be considered as belonging to the shareholders of the period and as such should be disbursed to them in dividends. This reluctance of shareholders to see the surplus of their company invested was exemplified in a recent meeting of Nipissing Mines Company. As investors are finding dividends curtailed by many of the industrial enterprises to the point that their income is seriously affected, they now tend to look to mines, particularly gold mines, to restore their loss in investment income.

Whether or not it is expedient for a mining company to disburse all its earnings, except what is sufficient to keep up an adequate working capital and contingency account, cannot be answered in one broad statement that profits of any period belong to the shareholders of the period. Problems peculiar to each company have a bearing on deciding in a large measure the policy to be followed.

Cash Essential to Some

Had some of the leading dividend payers of today disbursed profits as earned, their expansion would have been stopped and they would not have been the thriving enterprises they are today. On the other hand, there are instances where the earned surplus built up out of mining profits has been dissipated by company officials in investments that did not work out to the advantage of the company or its shareholders. In other cases the earned surplus has been a nest egg, which officials have been tempted to use in aiding the promotion of some scheme of their own which may have some semblance to an investment but which largely, forwards the ambitions of its sponsors.

Nipissing Mines Company and its predecessor company incorporated in 1906, has disbursed the equivalent of approximately $25 per share in dividends during its life. At the present time it has liquid assets equivalent to approximately $2.40 per share, that is, the earned surplus built up is less than 10 per cent of the total dividends disbursed.

Nipissing has been a company that has for years maintained an extensive exploration staff examining properties of merit which might serve to perpetuate itself as a mining enterprise after its present and original mining operations have come to an end.

Although it has been active during the greater part of its 25 years of existence it has no property today that has reached the stage where a source of income is assured.

At one time the company had the opportunity of acquiring control of the Teck-Hughes property, but after spending what officials considered all they were justified in spending on examinations and developments, the opportunity was passed up as not being sufficiently attractive. Subsequent developments at Teck-Hughes proved that a great opportunity had been missed, which only goes to show that the cautiousness of officials in conserving the company's resources resulted in an opportunity being lost. Yet had further work been done it would have doubtless discovered the mine's possibilities. It is also understood to have turned down the Flin Flon and other properties which are believed now to show promise.

Nipissing has not confined its activities to Canada alone in its search for a mining property, as early this year one of its engineers was in New Guinea looking over the opportunities offered in that field.

Past years have seen Nipissing's representatives in most of the new fields in Canada that have commanded public attention. Expenditures on the examination of outside properties have been a regular item in the annual statements of the company and during the past seven years it has averaged approximately $80,000 annually on this work.

The most advanced commitment toward the development of a mining property was made in 1925 when it optioned the Robb-Montbray claims, a copper-gold prospect in Montbray Township, Northwestern Quebec. On this venture the company spent approximately $265,000 before suspending work in 1929. It was announced that while some rich sections of high-grade ore was encountered, results were erratic and indications were that the commercial tonnage was limited.

The agreement approved last month by shareholders after strenuous opposition by a Hamilton group, commits the company to a possible investment of $1,400,000 including a loan of $280,000. In consideration of this expenditure the company is to receive a 40 per cent interest in a low-grade gold prospect in Northwestern Quebec known as the Beattie claims. In this venture the company has the most tangible mining asset recently brought to its attention.

Preliminary development work, principally diamond drilling, which with a gold property cannot be conclusive, has indicated gold ore estimated at 5,390,000 tons, averaging $3.07 per ton. In this case it is recognized that the company has a property of interest but the speculative element will rest in reducing costs to the point where a profit will be permitted. To do this new records for costs in Canada will have to be established, as no gold property has yet demonstrated that costs below $3 per ton can be sustained. On the other hand no gold property has had an ore body of the massive nature indicated at the Beattie that is conducive to low mining costs.

Time only will tell if the latest venture of Nipissing, in its search for a mine, is to prove the exception that will serve to perpetuate the company as a going mining enterprise or not.

PIONEER REPORTS $165,808 PROFITS FOR SIX MONTHS

Cash Increases Although Dividends Being Disbursed

Earnings for the six months ended September 30, 1931, by the Pioneer Gold Mines of B. C., amounted to $165,808, equivalent to 9 cents per share on the 1,751,750 shares outstanding, according to reports to the New York Curb Exchange where the stock is now listed.

The company's fiscal year ended March 31, and in the six months to September 30, 1931, bullion production amounted to $339,484. Operating income for this period amounted to $189,145 while total income amounted to $194,598. Depreciation and taxes were estimated at $28,790. This compares with a net income of $74,765, or three cents per share for the whole of the fiscal year ended March 31 last, and with $7,612 or one-half cent per share for the fiscal year ended March 31, 1930.

During 1931, four quarterly dividends of three cents per share were declared, the last being payable on January 2, 1932.

The balance sheet as at September 30, 1931, showed current assets totalling $190,888 of which $163,807 comprised cash and bullion. This compares with $133,698 on March 31, 1931.

New Firm Organized

Commencing with the new year, the firm of Morrow Plummer, Fleming & Company has been dissolved. Its business and accounts have been transferred to the new firm of H. L. Plummer & Company, members Toronto Stock Exchange, 15 King Street West, Toronto.

The partners in the new firm will be H. L. Plummer, F. B. Porter and T. O. Grills, all of whom were partners in the former firm.

Weighted Mining Index

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 57.8 for the week ending December 24, as compared with 57.1 for the previous week.

Eleven gold stocks remained unchanged (57.3), four gold-copper stocks rose from 59.8 to 63.0, and five silver and miscellaneous stocks from 26.5 to 27.1.

Uncompleted Wells Now Being Sought

Coincident with the Alberta Government's edict that no new wells are to be drilled to the limestone formation in the Turner Valley, there is a scramble to acquire abandoned wells or wells that are uncompleted. This is an unforeseen consequence and is an attempt to overcome the order that no new wells are to be started.

Some of the wells being sought were abandoned on account of lost tools in the hole, others on account of their being crooked, while still others stopped drilling owing to the lack of funds.

Mining Corp. Shuts Down Frontier Mine

Coincident with the expiration of its favorable cobalt contract with the Deloro Smelting & Refining Co., the Mining Corp. of Canada has suspended operations at the Frontier (Lorrain) Mine, its wholly-owned subsidiary, in South Lorrain, Ontario. Work has also been curtailed to a minimum at the properties of Mining Corp. in Cobalt.

Owing to the favorable cobalt contract, which expired on December 31, last, the company has been able to operate its property at a profit, extracting the high grade cobalt ore largely left in the earlier silver mining operations.

With the suspension of mining it is apparent that "finis" is being written to another important mining operation unless silver prices should advance beyond a point not now anticipated and make it possible to remove the remaining silver ore.

While operations have been materially curtailed in the Cobalt area, it is understood that the company is finding employment for the majority of its workers at its gold property in Matachewan area, under development by the Ashley Gold Mining Corp., a subsidiary.

KEELEY CLOSING TO END CAREER OF FAMOUS MINE

Paid $2,240,000 in Dividends After Apparent Failure

Finis has been written to another famous producer, Keeley Silver Mines, unless silver prices should advance to a figure not now anticipated, since operations were finally suspended late in November and the mine is now being allowed to fill up with water.

While silver prices in the past year have not made it profitable to operate, the company's favorable contract for cobalt ore with the Deloro Smelting & Refining Co. enabled it to produce at a profit until the recent termination of the contract.

Keeley, in common with other silver mines in the Cobalt district, found an important source of revenue by working the property for cobalt ore largely passed up in the earlier silver mining operations. When the cobalt contract expired, it left no alternative but to close down the property.

With the closing of the Keeley the final chapter is apparently being written on one of Ontario's most interesting silver properties.

The property was originally owned by the Keeley Mines, Ltd., a venture financed by the Farmers' Bank, which held a $1,000,000 bond issue on the property and advanced large sums of money in an unsuccessful search for ore. The property was subsequently purchased from the liquidators of the Farmers' Bank at a cost of $100,000 by Dr. J. Mackintosh Bell on behalf of the Associated Gold Mines of Australia which in turn was controlled by interests associated with the Huronian Belt Co. About 50 ft. from where the old operators had stopped work the new interests cut a high grade silver vein, which, together with subsequent operations, made the company an outstanding producer and dividend payer.

From the time operations started in 1913 until operations were suspended, the property produced over 12,000,000 oz. in silver and approximately 1,500,000 lb. cobalt. Between March 15, 1923, and March 15, 1928, it disbursed dividends totalling 114 per cent, or $2,240,000.

As at March 28, last, it had current assets valued at $788,848 and in addition it held shares of other mining companies valued at $80,717 as well as 550,000 shares in the Huronian Mining & Finance Co., which directed operations of the property.

Obituary

James G. Shearer, president of the James Shearer Co., Montreal, died on December 29 in Westmount, Que.

Hector Barsalou, president of J. Barsalou and Co., soap manufacturers, died on December 30 in Montreal.

Rt. Hon. Sir George E. Foster, G.C.M.G., Senator of Canada and veteran politician, died at Ottawa on December 30, 1931, at the age of 84. Born in 1847 in New Brunswick, of United Empire Loyalist stock, Sir George entered the cabinet of Sir John A. Macdonald in 1885 as Minister of Marine and has figured largely in political affairs ever since. He was also prominent in business circles, having been at one time first vice-president and general manager of The Union Trust Co., Toronto. He was created a K.C.M.G. in 1914, receiving the Grand Cross in 1918. At his death he was the longest-standing member of the Dominion Privy Council.

Minas Basin Pulp Operate at Capacity

From Our Own Correspondent

MONTREAL. — Minas Basin Pulp and Paper Mills, of Hantsport, N.S., operated its plant at capacity throughout the past year, production amounting to 25 tons of high-grade pulpwood pulp per day. Pulpwood purchases by the company amounted to approximately 10,000 cards, while wages and salaries paid totalled $75,000.

The entire output of the company's mill was sold to the Scott Paper Co., of Chester, Pa., which last year paid the Minas Basin Pulp and Paper Mills in the vicinity of $250,000.

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MOTOR SALES IN EAST CANADA 1,141 IN NOVEMBER

Purchasers, However, Are Mostly Waiting to See New 1932 Models

Chevrolet easily led all other makes of passenger car in November sales throughout Eastern Canada with a total of 246. Ford retained second place, but slumped badly to register 132. The previous months deliveries were 416 and 402 respectively. These figures comprise sales in Ontario, Quebec, New Brunswick and Nova Scotia, as published by Canadian Automotive Trade, from data compiled by Might's Directories, Ltd.

Total of passenger car sales in the east was 1,141 for the month compared with 1,959 for October, 1931, and 2,101 for November last year. The cumulative total of sales in the same territory for the 11 months to date, is now 54,681 as against 75,450 for the corresponding period in 1930. Ford is in the lead with sales for the year to date at 13,982, Chevrolet being second with 50 less, followed by Pontiac with 4,019, McLaughlin-Buick with 2,829, and Plymouth with 2,505.

Ford Trucks Lead

New commercial cars sold in November in the four eastern provinces named, totalled 416, which compares with 650 in October and 533 in November, 1930. Of these 144 were Fords, 119 Chevrolets, 37 G. M. C.s, and 27 Internationals. Cumulative total of truck sales to date is 10,590, Ford furnishing 3,874, Chevrolet, 3,216, G. M. C., 553, and International 396, these being the leaders.

The figures for November indicate a somewhat heavier drop than can be accounted for by normal seasonal trend. Prospective buyers, dealers say, are exhibiting more than usual interest in the new 1932 models and are showing a tendency to postpone purchases until all makers have introduced their new season's cars, samples of which are being hurried forward for display at motor shows, notably New York and Montreal, which will take place at the latter end of January.

Following table shows standing of the ten leading companies, by sales for 1931 (to November 30) in Ontario and Quebec, the two main eastern sales areas:

Sales of Ten Leaders (In Ontario and Quebec only)

	November 1931	November 1930	Eleven Mos. 1931	Eleven Mos. 1930
Ford	85	365	12,214	21,819
Chevrolet	197	197	11,515	11,169
Pontiac	58	78	3,504	3,490
McLaughlin	80	184	2,490	3,040
Plymouth	82	67	2,256	3,353
Chrysler	29	59	1,787	2,009
Durant	51	55	1,633	4,062
Essex	13	61	1,526	2,768
Oldsmobile	35	59	1,325	1,374
Dodge	39	30	1,305	1,364

Establishes Branch in Winnipeg

Jourard Furniture Manufacturing Co. Ltd., of Toronto, announces the establishment of a branch factory in Winnipeg which will employ between thirty and forty hands at the outset in the manufacture of upholstered furniture.

Turner Valley Oil Production

Turner Valley oil fields at the end of 1931 will have produced about $15,561,005 worth of oil since large production started in 1924. It is estimated that 4,582,629 barrels of naphtha and crude oil have been produced since 1924.

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